

Mr. LANE: Committee on the Judiciary. H. R. 4653. A bill for the relief of the New York Quinine & Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical Works; without amendment (Rept. No. 992). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 5526. A bill to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. JAVITS:

H. R. 5527. A bill to create a Federal Economic Commission, to establish procedures for the formulation and achievement of national economic goals, for the making of voluntary agreements in commerce, and for other purposes; to the Committee on Banking and Currency.

By Mr. McKINNON:

H. R. 5528. A bill to give effect to the convention between the United States of America and the Republic of Costa Rica for the establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949; to the Committee on Foreign Affairs.

By Mr. BROOKS:

H. R. 5529. A bill to authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946; to the Committee on Armed Services.

By Mr. HOEVEN:

H. R. 5530. A bill to extend the time in which a motion or supplemental petition may be filed to substitute the Reconstruction Finance Corporation for certain dissolved corporations in pending actions, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'TOOLE:

H. R. 5531. A bill relating to the compensation of certain employees of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. SASSER:

H. R. 5532. A bill to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 5533. A bill to amend the National Housing Act, as amended, and the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

By Mr. DURHAM:

H. R. 5534. A bill to amend the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

By Mr. KEE:

H. R. 5535. A bill to amend the Philippine Rehabilitation Act of 1946; to the Committee on Foreign Affairs.

By Mr. YOUNG:

H. R. 5536. A bill to repeal section 5a of the Interstate Commerce Act, as amended, relating to exemption from the antitrust laws in the case of certain agreements between carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLSWORTH:

H. R. 5537. A bill to amend title 28 of the United States Code to provide for a term of the United States district court at Eugene, Oreg.; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 5538. A bill to provide that postmasters and rural carriers in the postal service shall be appointed solely on the basis of fitness to perform the duties of the position; to the Committee on Post Office and Civil Service.

By Mr. KEE:

H. J. Res. 294. Joint resolution approving an agreement relating to the resolution of conflicting claims to German enemy assets and related protocol, authorizing the President to enter into the agreement or other agreements similar in character with certain countries, and authorizing necessary appropriations; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 5539. A bill for the relief of Mrs. Claudia Weitlanner; to the Committee on the Judiciary.

By Mr. DOLLIVER:

H. R. 5540. A bill for the relief of Mrs. Marie Cobb; to the Committee on Post Office and Civil Service.

By Mr. FARRINGTON:

H. R. 5541. A bill to amend Private Law No. 463, Seventy-sixth Congress; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 5542. A bill for the relief of Ernest J. Hoffmann; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 5543. A bill for the relief of Albert M. Goldberg; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5544. A bill for the relief of Seyid Ali Oglou Hussein, alias Seyid Ali Ebish Hussein, alias Ismail Ebish Hussein; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 5545. A bill for the relief of C. L. Leffingwell; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 5546. A bill for the relief of Harry Tansey; to the Committee on the Judiciary.

By Mr. O'TOOLE (by request):

H. R. 5547. A bill for the relief of Enrico Colandria; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 5548. A bill for the relief of Mrs. Olga Mills; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1259. By Mr. MILES: Memorial of the Legislature of New Mexico memorializing the President of the United States to immediately go on record as favoring the establishment of a Veterans' Administration hospital at Hot Springs, N. Mex., based on physical medicine with a strong department of physical medicine for crippled children; to the Committee on Veterans' Affairs.

1260. By the SPEAKER: Petition of Certified Milk Producers' Association of America, Inc., New York City, N. Y., relative to their opposition to the compulsory health bills now pending before Congress; to the Committee on Interstate and Foreign Commerce.

1261. Also, petition of the Board of Commissioners, City of Newark, Newark, N. J., requesting proper legislation necessary to provide sufficient funds to assist the city of Newark, and other municipalities in like situations, in obtaining necessary hospital

building facilities; to the Committee on Interstate and Foreign Commerce.

1262. Also, petition of Speaker of Hellenic Chamber of Deputies, Athens, Greece, wishing the United States on American Independence Day, enjoyment of everlasting prosperity; to the Committee on Foreign Affairs.

1263. Also, petition of Board of Commissioners, City of Newark, Newark, N. J., requesting repeal of the Taft-Hartley law; to the Committee on Education and Labor.

1264. Also, petition of Kent W. Thrun and others, Toledo, Ohio, relative to protesting the Barden bill, H. R. 4643; to the Committee on Education and Labor.

1265. Also, petition of Mrs. Nelson Mason and others, Los Angeles, Calif., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1266. Also, petition of Raymond Brindle and others, Chambersburg, Pa., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1267. Also, petition of Mrs. Alfred H. Stevens and others, Bristol, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

## SENATE

FRIDAY, JULY 8, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, we rejoice that daily we may enter into counsel with the source of all wisdom. We believe that the difficult world problems which we are now facing can be solved by means of a lofty international idealism.

We thank Thee for the noble aspirations and courage of our leaders in the affairs of government who are seeking to make our beloved country great and glorious, not through the conquest of any nation but in service to all the members of the human family.

Show us how we may lift the shadows of fear from every darkened and burdened land. May our vision of a lasting world peace never be eclipsed or extinguished. Enlarge our faith in the moral and spiritual forces and in the power of righteousness and the strength of justice.

Hear us in the name of the Prince of Peace. Amen.

#### THE JOURNAL

On request of Mr. Lucas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 7, 1949, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its

reading clerks, announced that the House had passed the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 623. An act for the relief of Sadako Takagi; and

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 113. An act for the relief of Helen Louise Oles;

S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;

S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor;

S. 623. An act for the relief of George Krinopolis;

S. 980. An act for the relief of Toshie Okutomi;

S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;

S. 1167. An act for the relief of the estate of Marion Miller;

S. 1168. An act to amend section 2680 of title 28, United States Code;

S. 1296. An act for the relief of Murphy & Wischmeyer;

S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and

S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

#### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Ferguson	Jenner
Anderson	Flanders	Johnson, Colo.
Baldwin	Frear	Johnson, S. C.
Brewster	Gillette	Kefauver
Bricker	Green	Kerr
Butler	Gurney	Knowland
Cain	Hendrickson	Langer
Capehart	Hickenlooper	Lodge
Chapman	Hill	Long
Chavez	Hoey	Lucas
Connally	Holland	McCarran
Donnell	Hunt	McClellan
Eaton	Ives	

McFarland  
McGrath  
McKellar  
Malone  
Martin  
Maybank  
Miller  
Morse  
Mundt  
Murray  
Myers

Neely  
O'Connor  
Pepper  
Reed  
Robertson  
Russell  
Saltonstall  
Smith, Maine  
Smith, N. J.  
Sparkman  
Stennis

Taft  
Thomas, Utah  
Thye  
Vandenberg  
Watkins  
Wherry  
Wiley  
Williams  
Withers  
Young

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on official business in meetings of committees of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Texas [Mr. JOHNSON] are absent on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Idaho [Mr. TAYLOR] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from Connecticut [Mr. McMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. SCHOEPEL] is absent by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] is in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Wisconsin [Mr. McCARTHY] is detained on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Oregon [Mr. CORDON] are detained because of attendance at a meeting of the Committee on Appropriations.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the joint committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

#### SENATOR FROM NEW YORK

Mr. IVES. Mr. President, I send to the desk a certificate signed by Thomas E. Dewey, Governor of the State of New York, witnessed by Thomas J. Curran, secretary of state of the State of New York, appointing JOHN FOSTER DULLES to fill the vacancy in the Senate from the

State of New York caused by the resignation of Hon. Robert F. Wagner.

The VICE PRESIDENT. The Secretary will read the certificate of appointment.

The certificate of appointment was read, as follows:

STATE OF NEW YORK,  
EXECUTIVE CHAMBER,  
Albany.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New York, I, Thomas E. Dewey, the Governor of said State, do hereby appoint JOHN FOSTER DULLES a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of the Honorable Robert F. Wagner, is filled by election, as provided by law.

Witness: Thomas E. Dewey, Governor of our said State, and our seal hereto affixed at our city of Albany, the 7th day of July, in the year of our Lord 1949.

THOMAS E. DEWEY.

Attest:

[SEAL]

THOMAS J. CURRAN,

Secretary of State of the State of New York.

The VICE PRESIDENT. The certificate will be placed on file. Is the Senator-designate ready to take the oath?

Mr. IVES. The Senator-designate is present and ready to take the oath.

The VICE PRESIDENT. If the Senator-designate will step forward the oath will be administered to him.

Mr. DULLES, escorted by Mr. IVES, advanced to the desk and the oath prescribed by law was administered to him by the Vice President.

#### TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions and incorporate routine matters into the RECORD, as though the Senate were in the morning hour, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

"Assembly Joint Resolution 33

"Joint resolution relative to memorializing Congress to enact legislation to give postal employees civil-service credit for time spent in military service

"Whereas individuals on Federal civil-service lists who were called up for appointment in the postal service while they were in the armed forces and who entered the postal service upon separation from the armed forces, have received, for time spent in the armed forces, credit in the postal service for the purposes of seniority, salary raises, and promotions; and

"Whereas veterans who have taken examinations for the postal service since the war have not been accorded similar benefits; and

"Whereas it is evident that all veterans should be granted equal recognition for their service to our country; and

"Whereas legislation is now pending before Congress which, if enacted, would result in



according like benefits to all veterans in the postal service or who enter that service within 3 years: Now, therefore, be it

*"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States is respectfully memorialized to enact legislation to grant like benefits to all veterans in the postal service of the United States; and be it further*

*"Resolved, That the chief clerk of the assembly is directed to transmit a copy of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."*

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

#### "Assembly Joint Resolution 23

"Joint resolution relative to the construction of navigable channels on the Sacramento and Feather Rivers

"Whereas navigable channels on both the Sacramento River and the Feather River to points in the counties north of Sacramento County would greatly relieve the overburdened transportation facilities in the State of California: Now, therefore, be it

*"Resolved by the Assembly and the Senate of the State of California (jointly), That Congress is respectfully memorialized to enact such legislation as may be necessary to authorize and direct the Chief of Engineers, United States Army, to conduct a survey as to the feasibility of constructing navigable channels on the Sacramento River and on the Feather River to points in the counties north of Sacramento, Calif.; and be it further*

*"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative in Congress from California."*

Petitions of J. S. Thompson and sundry other citizens of the State of Texas, relating to the payment of old-age pensions in Texas (with accompanying papers); to the Committee on Finance.

A telegram in the nature of a petition from the Tuskegee (Ala.) Civic Association, signed by C. A. Walwyn, president, and William P. Mitchell, secretary, relating to the internal affairs of Alabama; to the Committee on the Judiciary.

Resolutions adopted by the board of trustees of the Bishop Clarkson Memorial Hospital, Omaha, Nebr., and the Woodbury County Medical Society, Sioux City, Iowa, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 555. A bill for the relief of Elko Nakamura; with an amendment (Rept. No. 624);

S. 586. A bill for the relief of G. Brinton Fagen; with amendments (Rept. No. 625);

S. 787. A bill for the relief of William (Vasilios) Kotsakis; with an amendment (Rept. No. 626);

S. 843. A bill for the relief of S. M. Price; without amendment (Rept. No. 627);

S. 1026. A bill for the relief of Roman Szymanski and Anastasia Szymanski; without amendment (Rept. No. 628);

S. 1166. A bill for the relief of Toriko Tateuchi; with an amendment (Rept. No. 629);

H. R. 1127. A bill for the relief of Sirkka Siiri Saarelainen; without amendment (Rept. No. 630);

H. R. 1466. A bill for the relief of Daniel Kim; with an amendment (Rept. No. 631);

H. R. 1625. A bill for the relief of Christine Kono; with an amendment (Rept. No. 632);

H. R. 1950. A bill for the relief of certain consultants formerly employed by the Technical Industrial Intelligence Committee of the Foreign Economic Administration, and for other purposes; without amendment (Rept. No. 633);

H. R. 2084. A bill for the relief of Telko Horikawa and Yoshiko Horikawa; with an amendment (Rept. No. 634);

H. R. 2850. A bill for the relief of Denise Simeon Boutant; with an amendment (Rept. No. 635);

H. R. 3467. A bill for the relief of Franz Eugene Laub; without amendment (Rept. No. 636); and

H. R. 4804. A bill to record the lawful admission to the United States for permanent residence of Karl Frederick Kucker; without amendment (Rept. No. 637).

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 1870. A bill prohibiting the sale in the District of Columbia of rockfish weighing more than 15 pounds; without amendment (Rept. No. 638).

By Mr. O'MAHONEY, from the Committee on Appropriations:

H. R. 4177. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 639).

#### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, and I submit a report (No. 623) thereon.

THE VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the Calendar.

The concurrent resolution (S. Con. Res. 51) was ordered to be placed on the calendar, as follows:

*Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.*

A-2771684, Aperanthitis, Panagiotis Ioannis, or Peter John Apera, or Peter J. Apera.

A-7611537, Arlen, Michael, or Dikran Kouyoumlian.

A-2633023, Arlen, Atalanta (nee Mercati).

A-7568182, Arlen, Michael John.

A-7009816, Arlen, Venetia Valerie.

A-4503370, Arouani, Abdalla.

A-5967722, Arroyo, Esteban, or Esteban Arcla, or Stevan Aroya, or Esteban Arroyos, or Esteban Arroyo Marbolejo.

A-1701572, Alvarez-Canga, Maria Azucena.

A-6657337, Aboujdjd, Nicole (alias Nicole Cerisier).

A-6870289, Amaral, Jr., Antonio Pacheco.

A-2995518, Bacolot, Pablo Lopez.

A-6778491, Baic, Anna (alias Ana Mikasic and Ana Podrebarac).

A-8618944, Bain, Stafford, or Stafford William Bain.

A-7795322, Baker, Ana Maria (formerly Ana Maria De Ruiz nee Aleman y Valdes).

A-7733557, Baldvieso, Jose Guzman.

A-6423226, Beard, Beverly Ann.

A-2308859, Bellacicco, Ortenza (nee Santemma or Maria Teresa Pizzi).

A-7780875, Benjamin, David Alexander Palmer.

A-1436240, Beresford, Charles William Marcus De La Poer Horsely.

A-9655128, Berge, Kaare.

A-4272848, Berweger, Karl.

A-5576453, Besterman, Alexander, or Alexander Best.

A-1508013, Black, Robert Cecil.

A-7083995, Blair, David Phipps, or David Blair Keller.

A-6810164, Bogas, Katerina or Katherine (nee Manetas).

A-4271591, Bondesani, Giovanni, or John Bombeseme (also known as John Bondesani).

A-3807933, Bowerman, John Leslie (alias John Lester alias Leslie Bowerman).

A-7050922, Bratsch, Leanne Brigitte.

A-7050923, Bratsch, Barbara Renate.

A-5290128, Breslley, Ralph Marcel.

A-6187939, Browne, John William.

A-5945877, Caiby, Lillian Cassilda (nee Vanterpool).

A-6075141, Calloway, Dinah Alonso.

A-6211762, Campos, Amada, or Amada Victoria Campos.

A-6262101, Christodoulou, Panagiotis Efthimiou.

A-6262102, Christodoulou, Demetrios.

A-6456785, Clarke, Jenine Frances, or Jeanne Clarke.

A-3589473, Clarkson, Allick.

A-4342833, Comrie, Albert Thomas.

A-7673528, Coterillo, Gerardo, or Gerardo Coterillo y Serno.

A-3960443, Culhane, Clara, or Clara Hall.

A-3516945, Cundekovic, Imbro, or Jim Cundekovic.

A-6018616, Chwalibog, Stanislaw Marie Kowal (nee Kowal).

A-3198842, Da Cruz, Manuel Joao.

A-3460744, Damacus, John (alias Ioan Damacus alias Domacus).

A-3627768, D'Amico, Antonino, or Anthony D'Amico.

A-6261644, Davis, Eftyhia.

A-6419945, Davis, Grace I., or Grace Iris Noel or Grace Iris Hines.

A-6931886, De Blanco, Maria Covadonga Villa Diego, or Maria de la Concepcion Diaz y Gonzalez or Maria Covadonga Villa Diego.

A-6870214, De Estrada, Maria Gonzalaz.

A-6855839, Estrada, Apolinrr, or Apolinar Estrada-Aragones.

A-7044403, De Garcia, Francisca Alvarado, or Francisca Alvarado Martinez; Mrs. Pancho Garcia.

A-6870263, De Lara, Andres, or Andres Lara De Luevano or Andres Lara De Nuevano.

A-2517640, De La Torre Gonzalez, Domingo.

A-6492269, De Lleva, Onesima Flores (aliases Onesima Flores; Onesima Flores de Leyva; Onesima Flores Leyva).

A-4906150, Demma, Giuseppe Luigi, or Giuseppe L. Demma; Joseph L. Demma or Joe L. Demma or Giuseppe Fu Luigi Demma.

A-1776358, De Montez, Guadalupe Garcia, or Guadalupe Garcia de Montes or Guadalupe Garcia.

A-6834473, De Muniz, Isabel Mendoza.

A-3410203, Domingues, Evaristo.

A-6944962, Eith, Alice.

A-6501281, Emberton, Peter James, or Peter James Murphy.

A-4282171, Eng, Robert Ming, or Bock Ming Eng.

A-1469028, Ervin, John Kerr.

A-2385266, Eteng, Hameed.

A-9542092, Exadaktylos, Nicholas.

A-7740841, Fabianich, Louise (nee Alojzija Stepihar).

A-7739179, Fabianich, Karin Dolores.

A-5332034, Falco, Vincent, or Vincenzo Falco.

A-2552550, Fong, May Chan or Chan Shee (Yuet Ngo), Chan Yuet Ngo, or Fong Yuet Ngo.

A-6550813, Frederick, Fleur-Ange Rita.

A-7749501, Froe, Marie Hughes Leonide Lanoix, or Marie Hughes Leonide Lanoix.

A-3026759, Garcia-Robledo, Alfredo, or Alfred Robledo and Alfred Zante.

A-4001560, Genauer, Reuben.

A-6920812, George, Kenneth Esdaille.

A-3035145, Gitaes, Nathaniel, or Nathan Gale.

A-5300544, Gombos, Helen McKinnon, or Helen U. McKinnon or Hellen Unelna Mykkanen.

A-6904549, Gomez-Villegas, Antonio.

A-6904547, Gomez, Maria Elena.

A-7794943, Gonzales, Praxedes.

- A-7794944, Gonzales, Dora Rosalia.  
 A-6780505, Gonzalez-Estrada, Luis.  
 A-6711957, Gonzalez-Vasquez, Jose Francisco, or Francisco Gonzalez Vasquez.  
 A-5801908, Gormley, Alexander Aloysious, or Alexander Aloysious Malone.  
 A-4357509, Gouldwin, Ralph Mari or Goldenberg, or John Travers.  
 A-2835254, Gregorutti, Carl, or Carl Gregorutti, or Carl Gregor.  
 A-6877289, Guerrero, Oscar.  
 A-3952398, Guido, Concetta Mary (nee Savina or Concetta Mary Johnson).  
 A-1246882, Hadeed, Joseph Farah.  
 A-1276069, Halfhide, Frank, or Francois Willem Bechtold.  
 A-6396576, Hanson, Alexander Edward.  
 A-3237254, Hatzigiorge, Dimitrios Ioanos.  
 A-4182082, Hatzihoffer, Elizabeth Katherine (nee Szedula).  
 A-7054945, Heile, Robert.  
 A-6590946, Helse, Rosalia Concepcion.  
 A-6956240, Henriot, Gisele Aline Germaine.  
 A-4919945, Lan, Wong Wal (alias Wal Lan Huang or Mrs. Huang).  
 A-5564387, Huang, Fung Kuan (alias Fung Kuan Huan).  
 A-4837631, Hung, Kwan King.  
 A-5993159, Jaboneta, Ernesto Garson, Jr.  
 A-2682492, Janik, Piotr or Peter.  
 A-6502043, Jasso-Castaneda, Miguel, or Arturo Eulogio Jasso.  
 A-6517165, Kairinen, Ella Orvokki.  
 A-6517166, Kairinen, Virpi Helena.  
 A-2175571, Kallitsis, John Efstathesis, or Steve Kallys.  
 A-6827887, Karousos, John Nicholas or Menas.  
 A-1498485, Karrow, Elizabeth Margaret (alias Hartman nee Clark alias Bessie Margaret Karrow).  
 A-1707924, Kawas, George (alias George Balat).  
 A-6866041, Kazinsky, Edward Louis.  
 A-6866042, Kazinsky, Betty Louise.  
 A-6861481, Kazinsky, George Bernard.  
 A-6246459, Kontogianis, Irene or Kontagianis (nee Zacharias).  
 A-3815055, Kosta, Frank, or Franc Kosta.  
 A-6929651, Lachesky, Diana Maria, or Diana Maria Ruffini.  
 A-2891836, Lampos, Simos Adamandios, or Sam Lampos.  
 A-3798285, Landman, Anne (nee Annie Rosenberg or Annie Ross).  
 A-960789, Le Mouillec, Francois.  
 A-8699598, Leu, Kee Sang, or Leu Woh Hing or Ho Hing or Keu Sang Lew or Lieu Woh Hing.  
 A-2782961, Leung, Yin Young.  
 A-6237325, Leung, Suey Jin Chin, or Suey Jin Chin or Chin Shee.  
 A-1161352, Lim, Chow Har Lee, or Lee Chow Har or Lim Lee Shee.  
 A-6142232, Lin, Hsi Hung.  
 A-7790120, Lin Ying (nee Liu Wing).  
 A-6912681, Loistl, Karin.  
 A-1332726, Lukasick, Barbara, or Barbara Birsic or Agatha Maticicz.  
 A-5251248, Ma, Schwen Wei, or Joseph (Schwen Wei) Ma.  
 A-5402002, Ma, Tien Djen Nyl, or Bessie Nyl Ma.  
 A-1836212, Macias, Alfonso Rodriguez.  
 A-4738157, Maloney, Clara Bridget (nee Miller).  
 A-2047097, Manetas, Leonidas Demitrios, or Louis James Manetas.  
 A-2355506, Marson, Gino Carlo Andrea, or Gino Carlo Marson.  
 A-5758401, Martin, Eileen Mary (nee McDonnell).  
 A-6027173, Martinez, Cornello, or Cornello Martinez Salas.  
 A-4213027, Maschas, Anastasios John.  
 A-6028993, May, John Joseph, or John Joseph Cieckiewicz.  
 A-6380779, Medina-Solis, Isaac, or Isaac Solis Medina.  
 A-6380780, Medina, Fernanda Briano De, or Fernanda Briano-Carlos.  
 A-4022515, Meichle, Ernest.  
 A-3286750, Mendes, Joao Rodriguez, or Joao R. Mendes or John R. Mendes.  
 A-4705529, Messina, Francisco Paolo, or Frank Paolo Messina.  
 A-2171255, Meza, Loreto Rodriguez, or Loreto R. Meza.  
 A-6709435, Miller, Mary Katherine, or Mary Katherine Sloan or Mary Katherine Gritzfeld.  
 A-4826150, Min, Sun Nien.  
 A-2520497, Mirtsopulos, Christos Yovany, or Christo Mitsopulos; Mitsopulos or Mishopoulos; John Chris; Christof Yovany; or Joyan Spiroff.  
 A-6865996, Mobley, Helena Valentina, or Helena Valentina Gonsalves.  
 A-6848746, Monsivaiz, Manuel.  
 A-6844270, Monsivaiz, Aureliano.  
 A-9776724, Montoya, Jesus Untoria, or Jesus Montoya.  
 A-6928183, Mora-Ruiz, Fortunato.  
 A-7734930, Morgan, Inez Helene (nee Dis-mont).  
 A-5119705, Muchin, Janina, or Jean Muchin (nee Tratenaitte or Jean Broten, formerly Leach, or Jennie Leach).  
 A-4912148, McCoy, Nora Ellen, or Nora Ellen McCoy (nee Sherne).  
 A-4345005, Netting, Barbara Romana (nee Barbara Romana Weidler).  
 A-6854576, Nilsson, Arthur Christopher.  
 A-5997552, Normington, James Eastwood.  
 A-4229403, Nyman, Johannes Severin.  
 A-2879623, Oakland, Nils Mikal.  
 A-6665371, Oaks, Archer Lee.  
 A-6425331, Ortiz-Rodriguez, Enriqueta.  
 A-6425348, Ortiz-Rodriguez, Dora.  
 A-3596393, Osmond, Morley William.  
 A-6948178, Padilla-Avila, Alberto, or Alberto Padilla.  
 A-6735736, Pakidoff, Olga Igorevna, or Olga Igor Pak.  
 A-2153589, Papadimitrios, Michael Joseph.  
 A-4233414, Pereira, Francisco Antonio.  
 A-1951087, Perolini, Paul, or Paolo Perolini.  
 A-4117439, Perolini, Josephine, or Josephine Pepino.  
 A-6611856, Phillips, John Brian, or John Brian Phillips Nast.  
 A-3784284, Polansky, Anna (nee Sudia).  
 A-6834422, Ponce, Manuel, or Manuel Hernandez Ponce, Merced Hernandez Ponce.  
 A-4764040, Psaros, Markos.  
 A-4444460, Purewal, Bhagat Singh, or Bhagat Singh.  
 A-6921715, Rabstatt, Andrice Ford.  
 A-1332304, Rauch, Kurt Theodore (alias Curt Smoke).  
 A-4287048, Reimann, August.  
 A-3479010, Rettura, Vincenzo, or Jim Rettura.  
 A-3861187, Rocca, Gennaro.  
 A-2745606, Rochkind, Esther (nee Esther Goldfarb).  
 A-7049650, Rodriguez, Cesario, or Cesario Rodriguez Cazares.  
 A-7049712, Rodriguez, Florencio, or Florencio M. Rodriguez.  
 A-2963679, Roleira, Luis Antonio Gancalvez.  
 A-3699180, Sabina, Manuel Pereira, or Manuel Pereira or Faustino Marquis.  
 A-3926563, Sadow, Bertha (nee Mark or Polly Sadow).  
 A-6279634, Sandon, Rodolfo Riccardo, or Rodolfo Riccardo Sandon or Rudolph Richard Sandon.  
 A-4604983, Savrames, Harry, or Haralombos Savramis.  
 A-1484796, Seesodia, Jehan Warliker, or Jehan Warliker or Jehan Seesodia.  
 A-6092937, Setford, Peter Michael Harold.  
 A-2862964, Shafarzek, Raymond or Raimund.  
 A-2862961, Shafarzek, Isabella (nee Neymayer).  
 A-5017949, Shlau, Yen Guang.  
 A-2246566, Skogg, Helga Bernine (nee Karlson, formerly Morck).  
 A-7028542, Sliwinshi, Christine Dolores (alias Krystyna Dolores Sliwinska).  
 A-1086676, Sokoloff, Philip, or Feltel Sokolofsky.  
 A-1584153, Spinelli, Peter, or Pietro Spinelli.  
 A-3878575, Stakorec, Dragutin, or Mike or Frank or Mike Frank Stakorec.  
 A-5056114, Stamford, William Gilbert, or Frank Stamford.  
 A-6808067, Stead, Mildred Phoebe.  
 A-2854491, Stefanides, Stefanos (alias Steve Stefanides).  
 A-4963314, Stephenson, Margaret Lillian Elva (nee Saint Amand).  
 A-7036742, Stuart, Allan Joseph.  
 A-2324924, Susnjär, Stojan Nick, or Stojan Susnjär or Stojan Nikola Susnjär or Steve Susnjär or Nick Susnjär.  
 A-2949381, Tants, Wilhelm Heinrich, or William H. Tants.  
 A-3847182, Tauras, Juozas, or Joseph Tauras.  
 A-5615952, Thomas, William Edwin.  
 A-7792039, Thrapp, Casta Carles (nee Casta Carles).  
 A-4206936, Titones, Michael Ioannes, or Mike or Mike John Titones or Michael Tetonis.  
 A-2427689, Tombyll, Ross John.  
 A-6917723, Turco, Giuseppe, or John Joseph Turco or Joseph Turco.  
 A-6378224, Turner, Lurline Joyce.  
 A-6877264, Tuttle, Douglas James.  
 A-2889725, Tzanavaras, Georgios Eleftheriou, or George Tzavaris.  
 A-6884687, Ureno, Manuel, or Manuel Ureno-Flores.  
 A-1416293, Usnap, Charles Helmuth, or Kabol Helmuth or Helmuth Karlovitch or Charles H. Usnap.  
 A-1269931, Vadala, Antonino, or Anthony Vadala.  
 A-6479380, Van Eycke, Marie Surdiacourt (nee Marie Surdiacourt).  
 A-6937319, Van Wolde, Herman C., or Hermannus (Harmannus).  
 A-7083041, Varangis, Antonios, or Toni Varangis.  
 A-6920942, Vavala, Mariangela Glielia Nevi.  
 A-6712243, Vavala, Maria Concetta (nee Anzoise).  
 A-3194481, Vavilis, Michael George.  
 A-6102151, Villaseñor-Navarro, Daniel.  
 A-4031280, Watt, Iu Chan.  
 A-5197229, Watt, Moi Kwai Yuk Chan.  
 A-6730877, Wilson, Helen Louise (alias Helen L. Andrews alias Helen Louise Andrews alias Helen Louise Thompson).  
 A-7794046, Williams, Emily Evangeline (nee Todd).  
 A-5132143, Woodhall, Richard Henry, or Richard or Henry Woodhall.  
 A-5980501, Woods, Eileen.  
 A-1285419, Yates, Thomas, Junior.  
 A-3388992, Yen, Chin Shik, or Thomas Yen Chin.  
 A-7735280, Yudice, Julio Hector.  
 A-6195968, Yudice, Carlota Angelica (nee Espinola).  
 A-6555335, Zacharakopoulos, John George.  
 A-4334369, Zole, Emilio, or Emilio Zole Di Cesare.  
 A-2913697, Zoulis, Vasilios, or William or Bill Zoulis.  
 A-6821734, Zunic, Frank, or Frane Zunic.

#### REPORTS OF PERSONNEL AND FUNDS BY COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 7, 1949.

REPORT OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—SUBCOMMITTEE ON FUNDS AUTHORIZED AND EXPENDED UNDER SENATE RESOLUTION 152 AND SENATE RESOLUTION 259

#### TO THE SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total



salary of each person employed by it and its subcommittees for the period from January 1 to February 15, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Eli E. Nobleman, counsel, Subcommittee on Relations With International Organizations (S. Res. 152).....	\$7,563.07	\$1,004.61
Margaret B. Buchholz, clerk-stenographer, Subcommittee on Relations With International Organizations (S. Res. 152).....	3,791.04	242.20
Paul H. Menk, Jr., administrative analyst, Committee on Expenditures in the Executive Departments (S. Res. 259).....	7,168.06	895.99

Total funds authorized or appropriated for expenditure under S. Res. 152..... \$30,000.00  
Total amount expended:

Subcommittee on Intergovernmental Relations.....	\$5,517.02
Subcommittee on Relations With International Organizations.....	10,169.89
Committee on Expenditures in the Executive Departments.....	5,709.42
	21,396.33
Balance unexpended.....	8,603.67

JOHN L. MCCLELLAN,  
Chairman.

JULY 7, 1949.

#### EXPENDITURES IN THE EXECUTIVE DEPARTMENTS TO THE SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Walter L. Reynolds, chief clerk.....	\$10,330.00	\$5,077.07
Ann M. Grickis, assistant chief clerk.....	5,446.32	2,723.16
Mollie Jo McCarthy (Mrs.), clerical assistant.....	3,873.80	1,452.64
Emily L. Tennyson (Mrs.), clerical assistant.....	3,791.04	1,895.52
Marie C. Tylor, clerical assistant.....	3,956.56	1,978.26
Velda Blanche Holder, clerical assistant.....	3,542.74	1,771.32
J. H. Macomber, Jr. (to Feb. 14, 1949), chief clerk.....	10,330.00	1,262.55
Phillip C. Ward (to Feb. 28, 1949), professional staff member.....	9,854.13	1,642.34
Gordon R. Ewing (to Feb. 15, 1949), professional staff member.....	10,330.00	1,291.24
Glenn K. Shriver, professional staff member.....	7,958.08	3,979.01
Miles Scull Jr., professional staff member.....	8,669.10	3,892.90
Herman C. Loeffler, professional staff member.....	10,330.00	3,328.54

Funds authorized or appropriated for committee expenditure..... \$10,000.00  
Amount expended..... 1,356.67

Balance unexpended..... 8,643.33

JOHN L. MCCLELLAN,  
Chairman.

JULY 7, 1949.

#### REPORT OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS (S. RES. 51)

##### TO THE SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its

subcommittees for the period from February 16 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Paul H. Menk, Jr., staff member.....	\$7,800.07	\$2,925.00
Funds authorized or appropriated for subcommittee expenditure.....		\$15,000.00
Amount expended.....		3,200.62
Balance unexpended.....		11,799.38

JOHN L. MCCLELLAN,  
Chairman.

JULY 7, 1949.

#### REPORT OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—SUBCOMMITTEE ON RELATIONS WITH INTERNATIONAL ORGANIZA- TIONS (S. RES. 51)

##### TO THE SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from February 16 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Eli E. Nobleman, counsel.....	\$7,563.07	\$2,836.12
Helen P. Dalley, clerk-typist.....	3,459.98	1,297.48

Funds authorized or appropriated for subcommittee expenditure..... \$18,000.00  
Amount expended..... 4,376.42

Balance unexpended..... 13,623.58

JOHN L. MCCLELLAN,  
Chairman.

#### AMENDMENT OF FAIR LABOR STANDARDS ACT RELATING TO MINIMUM WAGES— ADDITIONAL SPONSORS—REPORT OF A COMMITTEE

Mr. PEPPER. Mr. President, on behalf of the Committee on Labor and Public Welfare, I ask unanimous consent to enlarge the authorship of S. 653, to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, so that it will read "Introduced by Senator THOMAS of Utah (on behalf of himself and Mr. MURRAY, Mr. PEPPER, Mr. HILL, Mr. NEELY, Mr. DOUGLAS, Mr. HUMPHREY, Mr. WITHERS, Mr. TAFT, Mr. AIKEN, Mr. SMITH of New Jersey, Mr. MORSE and Mr. DONNELL)." All members of the committee expressed the desire to be on the bill and the chairman, the Senator from Utah [Mr. THOMAS], of the full committee has requested that this be done.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PEPPER. Mr. President, from the Committee on Labor and Public Welfare, I now ask unanimous consent to report favorably the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, with an amendment, and I submit a report (No. 640) thereon.

The VICE PRESIDENT. Without objection the report will be received, and the bill will be placed on the Calendar.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

S. 2217. A bill for the relief of Aung Chien;  
S. 2218. A bill for the relief of Chao Chi-Hai, also known as Chi-Hai Chao;  
S. 2219. A bill for the relief of James Chiu-Chang Wang; and

S. 2220. A bill for the relief of Hsin Wen Chen; to the Committee on the Judiciary.

By Mr. LODGE:

S. 2221. A bill for the relief of Mrs. Marie A. Abbot; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2222. A bill to authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946; to the Committee on Armed Services.

By Mr. CAPEHART:

S. 2223. A bill to authorize a change in date of rank on the active list of Commander Irving J. Superfine, United States Navy; to the Committee on Armed Services.

By Mr. KEFAUVER:

S. 2224. A bill for the relief of Andre Anastassatos; to the Committee on the Judiciary.

By Mr. LODGE:

S. 2225. A bill to authorize the issuance of a special series of stamps in honor of the Marquis De Lafayette; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina:

S. 2226. A bill relating to the compensation of certain employees of the Panama Canal; to the Committee on Post Office and Civil Service.

By Mr. CAPEHART:

S. J. Res. 115. Joint resolution requesting the President to declare November 10, 1949, a day for the observance of the creation of the United States Marine Corps; to the Committee on the Judiciary.

#### SUPPLEMENTARY AGREEMENT OF MEM- BERS OF UNITED NATIONS TO AID SIGNATORIES IN CASE OF ATTACK

Mr. THOMAS of Utah (for himself and Mr. DOUGLAS) submitted the following concurrent resolution (S. Con. Res. 52), which was referred to the Committee on Foreign Relations:

1. Whereas the United States by repeated declarations and actions has clearly committed itself to the principle that the peace of the world can only be preserved by the use of pooled forces to resist and to deter aggression; and

2. Whereas in furtherance of this principle the United States has cooperated wholeheartedly in the formulation and activities of the United Nations, in the Pact of Rio de Janeiro which was designed to protect the American Hemisphere from attack and is now negotiating the North Atlantic Security Pact which is similarly designed to protect from assault States bordering and adjacent to the Atlantic; and

3. Whereas all the members of the United Nations are bound to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations, and to give the United Nations every assistance in any action it takes in accordance with the present charter to carry out its purposes; and

4. Whereas one purpose of the United Nations is to maintain international peace and security and to that end to take effective collective measures for the prevention and

removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace; and

5. Whereas the charter permits member states to supplement the provisions of the charter by regional or general arrangements for collective self-defense, and such an arrangement can give the General Assembly powers normally exercised by the Security Council; and

6. Whereas the General Assembly of the United Nations is capable of meeting on short notice and acting promptly and justly to determine the fact of aggression when the Security Council is prevented from taking action against aggression because of the voting procedures requiring unanimity of the principal powers to authorize military action; and

7. Whereas the Senate Resolution 239 of June 11, 1948, in addition to favoring the association of the United States with regional arrangements in accordance with the purposes and principles of the Charter, urged the United States to make clear its determination to exercise its right of collective self-defense under article 51 should any attack occur affecting its national security; to contribute to the progressive development of regional and other collective arrangements; to make maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter; and to reaffirm the policy of the United States to achieve international peace and security through the United Nations; and

8. Whereas the national security of the United States may be affected by attacks in areas other than the Atlantic Area: Therefore be it

9. *Resolved by the Senate (the House of Representatives concurring):*

10. (i) That the Congress reaffirm its faith in the United Nations as the cornerstone of the international policy of the United States and as an institution which can progressively be made more adequate to assure the security of its members.

11. (ii) That to this end the Congress pledges its support to a supplementary agreement under Article 51 of the Charter open to all members of the United Nations, by which the signatories agree, if the Security Council is prevented from fulfilling its duties, to come to the aid of the victim of attack if requested to do so by a two-thirds vote of the General Assembly, including three of the permanent members of the Security Council;

12. (iii) That such an agreement should specify the forces that each signatory agrees to maintain, under the spirit of paragraphs 1 and 2 of Article 43, for immediate use of the United Nations

(a) upon call of the Security Council, or  
(b) upon call of the General Assembly by a two-thirds vote, including at least three of the permanent members of the Security Council, and

13. (iv) That such an agreement should specify that if a matter pertaining to a threat to or breach of the peace, or act of aggression, is on the agenda of the Security Council, and the Security Council is prevented from fulfilling its duties, the signatories who are members of the Security Council will take such steps as may be required to remove it from the agenda of the Security Council; and

14. (v) That such an agreement should come into force when ratified by a majority of the United Nations including three of the permanent members of the Security Council.

15. Such an agreement shall not in any way impair the inherent right of the parties to engage in self-defense under Article 51 of the United Nations Charter, individually or through other collective arrangements consistent with their obligations under the United Nations Charter, or the North Atlantic Security Pact, or the Pact of Rio de Janeiro.

#### OBJECTIVE IN IMPLEMENTATION OF NORTH ATLANTIC TREATY

Mr. SPARKMAN (for himself, Mr. AIKEN, Mr. CAPEHART, Mr. CAIN, Mr. FLANDERS, Mr. HENDRICKSON, Mr. HILL, Mr. HOEY, Mr. JOHNSON of Colorado, Mr. MUNDT, and Mr. STENNIS), submitted the following resolution (S. Res. 133), which was referred to the Committee on Foreign Relations:

Whereas the necessity for firm, prompt, and united defense by nations of the North Atlantic area justifies the purposes of the North Atlantic Treaty, now before the Senate; and

Whereas the effectiveness of the North Atlantic Treaty will depend largely on the manner and methods used to implement it; and

Whereas the best hope for world peace lies in the capacity of the United Nations to fulfill its primary responsibility for the maintenance of international peace and security, and a declared purpose of the North Atlantic Treaty is to strengthen the United Nations: Therefore be it

*Resolved*, That the President be advised of the sense of the Senate that a fundamental objective in the implementation of the North Atlantic Treaty, upon its ratification, should be to seek without delay the revision of the United Nations Charter so that:

A. The paralyzing veto-right in defined matters of aggression shall be removed;

B. The rising threat of the atomic catastrophe be averted and the backbreaking load of the armament race be lifted; and

C. An effective but tyranny-proof international police force be established under a workable Security Council and World Court. In the event that a permanent member vetoes these revisions of the UN Charter under its articles 108 or 109, then, under its article 51, the Atlantic Pact should be supplemented by a world pact for the establishment, within the United Nations, of a larger organization for mutual defense, dedicated to the foregoing objectives and open to all nations; to the end that a united world front of all cooperating nations, in possession of overwhelming atomic and military power, and based on the principle of enforceable law against aggression or armament for aggression, shall avert, by firm action now, the third world war later; be it further

*Resolved*, That among the immediate objectives in the implementation of the North Atlantic Treaty should be:

I. The establishment, in cooperation with other member states, of an emergency defense force, to be called the Atlantic International Contingent, to operate in defense against armed attack as auxiliary to the national armed forces of participating member states.

The international contingent—a balanced land, sea, and air force—should be recruited from volunteers who are citizens of smaller sovereign states only, i. e., states not possessing their own large military establishments. It should be a highly trained, well-paid professional force, owing its allegiance to the Atlantic Council. It should be stationed in western Germany or, upon mutual agreement, in special bases provided by the smaller member states. Its use and operations should not limit the constitutional safeguards or processes of member states nor commit them to the use of their national armed forces.

A specified part of the moneys, goods, and lend-lease armament when appropriated by the United States Government in accordance with article 3 of the North Atlantic Treaty shall be expended to help equip and maintain the international contingent.

II. The organization and command of the Atlantic international contingent should be vested in the special defense committee provided in article 9 of the North Atlantic

Treaty. The defense committee should consist of seven delegates, as follows:

United States.....	2
British Commonwealth:	
United Kingdom.....	1
Canada.....	1
Latin Europeans	
France.....	1
Italy.....	1
Other smaller member states (selected to represent them collectively).....	1

The defense committee should act upon an affirmative vote of 6 out of 7 members. The details of representation and voting procedure on the defense committee may be arranged differently, provided the paralysis arising from a requirement of unanimous consent of all member states is avoided.

#### AMENDMENT OF SECTION 3121 OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. MCCARRAN submitted three amendments intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which were referred to the Committee on Finance and ordered to be printed.

#### NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. O'MAHONEY. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 10, line 5, strike out the period and insert a colon and the following:

*Provided further*, That no part of this appropriation or contract authorization shall be used—

(A) to start any new construction project for which an estimate was not included in the budget for the current fiscal year;

(B) to start any new construction project the currently estimated cost of which exceeds the estimated cost included therefor in such budget; or

(C) to continue any community facility construction project whenever the currently estimated cost thereof exceeds the estimated cost included therefor in such budget; unless the Director of the Bureau of the Budget specifically approves the start of such construction project or its continuation and a detailed explanation thereof is submitted forthwith by the Director to the Appropriations Committees of the Senate and the House of Representatives; the limitations contained in this proviso shall not apply to any construction project the total estimated cost of which does not exceed \$500,000; and, as used herein, the term "construction project" includes the purchase, alteration, or improvement of buildings, and the term "budget" includes the detailed justification supporting the budget estimates: *Provided further*, That whenever the current estimate to complete any construction project (except community facilities) exceeds by 15 percent the estimated cost included therefor in such budget or the estimated cost of a construction project covered by clause (A) of the foregoing proviso which has been approved by the Director, the Commission shall forthwith submit a detailed explanation thereof to the Director of the Bureau of the Budget and the Committees on Appropriations of the Senate and of the House of Representatives.



Mr. O'MAHONEY. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 52, line 23, after the word "That" insert the following:

No part of this contract authority shall be used to start any new ship construction for which an estimate was not included in the budget for the current fiscal year, or to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therein in such budget, unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term "budget" includes the detailed justification supporting the budget estimates: *Provided further, That.*

Mr. O'MAHONEY. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 63, after line 23, insert a new paragraph as follows:

Sec. 102. (a) No part of any appropriation contained in this title for the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Attorney General finds, upon investigation and report by the Federal Bureau of Investigation on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided, That* any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment the salary, wages, stipend, or expenses for which are paid from any appropriation contained in this title shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further, That* the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. O'MAHONEY also submitted three amendments intended to be proposed by him to House bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notices.)

#### ECONOMIC EXPANSION—RADIO BROADCAST BY SENATORS MURRAY, SPARKMAN, AND HUMPHREY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD the stenographic transcript of a radio broadcast participated in by himself, Senator SPARKMAN, and Senator HUMPHREY on July 3, 1949, on the subject of economic expansion, which appears in the Appendix.]

#### EDITORIAL COMMENT ON LABOR RELATIONS BILL PASSED BY THE SENATE

[Mr. HOEY asked and obtained leave to have printed in the RECORD two editorials regarding national labor relations, one entitled "What Must Come First," from the Greensboro (N. C.) Daily News; the second entitled "Be Specific, Please," from the Christian Science Monitor, which appear in the Appendix.]

#### BRITISH-ARGENTINE TRADE AGREEMENT—EDITORIAL FROM INDIANAPOLIS TIMES

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "What Kind of Suckers Do They Think We Are?" published in the Indianapolis Times of June 23, 1949, which appears in the Appendix.]

#### LET THERE BE LIGHT—ADDRESS BY RON SNYDER

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an address entitled "Let There Be Light," which was won for Ron Snyder, of La Porte, Ind., the 1949 Indiana American Legion and State Bar Association oratorical contest, which appears in the Appendix.]

#### VISIBLE AND INVISIBLE TAXES—ARTICLE BY EARL RICHERT

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "You Pay Out in Taxes More Than You Think," written by Earl Richert, Scripps-Howard staff writer, which appears in the Appendix.]

#### BUDGETING FOR GOOD HEALTH—EDITORIAL FROM THE WORTHINGTON (MINN.) GLOBE

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "Budgeting for Good Health," published in the Worthington (Minn.) Globe of June 28, 1949, which appears in the Appendix.]

#### NOTICE OF HEARINGS ON NATURALIZATION OF IMMIGRANTS

Mr. McGRATH. Mr. President, I desire to announce that public hearings on H. R. 199, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence and to make immigration quotas available to Asian and Pacific peoples, will be held beginning at 10 a. m. on Tuesday, July 19, 1949, and continuing through Wednesday, July 20, 1949, in room 424, Senate Office Building. The subcommittee which will be conducting the hearings is composed of the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. DONNELL], and myself, as chairman.

#### LEAVES OF ABSENCE

Mr. McGRATH asked and obtained leave to be absent from the session of the Senate on Monday next.

Mr. BALDWIN asked and obtained consent to be absent from the session of the Senate on Monday next so as to attend to some official business in Connecticut.

#### FEDERAL DEPOSIT INSURANCE CORPORATION—HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter from the Chairman of the Federal Deposit Insurance Corporation making comments upon the Hoover Commission reports and recommendations as they affect that agency, together with a statement which I have prepared on the subject.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

WASHINGTON, D. C., July 7, 1949.—Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a letter from the chairman of the Federal Deposit Insurance Corporation which protests strongly against Hoover Commission recommendations that supervision of the Federal Deposit Insurance Corporation be vested in the Secretary of the Treasury. These recommendations arise from a major Hoover Commission report on the Treasury Department, Task Force Appendix N on Regulatory Commissions, and Task Force Appendix R on Lending Agencies.

In response to a request by the Senate Committee for comments on the various Commission recommendations which relate to Federal Deposit Insurance Corporation activities, the chairman states:

"Without intending any criticism whatsoever of the work of the Commission or the Task Forces, it is submitted that the recommendations pertaining to this Corporation suggest lack of understanding of the basic reasons for creation of the Corporation as an independent agency and its relationship to the Federal Reserve system, the Comptroller of the Currency, and the 48 State bank supervisors. This is due in part, we believe, to the piecemeal method by which the task forces studied the functions of the Corporation."

After pointing out that studies of the Federal Deposit Insurance Corporation were not conducted by the Commission task forces on the same basis as the nine agencies included in the task-force report on regulatory commissions, the chairman continued:

"In formulating the recommendations concerning this Corporation, apparently neither the Commission nor the task forces gave consideration to the fundamental principles upon which Federal deposit insurance is founded. What has been emphasized throughout these reports is the somewhat shopworn question of whether there is duplication or overlapping of functions among the three Federal banking agencies. Since the creation of this Corporation in 1933 this charge of duplication has been made repeatedly—has, with the same repetition, been investigated and determined to be without basis. The charge has refused to stay down, however, and is continually being disinterred, dusted off, and presented as a brand new startling discovery. This charge of duplication or overlapping has been repeated so many times that many have begun to accept it as true. \* \* \* Each of the three Federal banking agencies has its own field of operations and its own functions and each

has been granted authority which the Congress deemed necessary for the proper performance of its duties."

After outlining the issues raised in Congress when the Corporation was created, the Chairman discusses adversely the Commission's proposals that the Corporation either be placed under the supervision of the Secretary of the Treasury or combined with the Federal Reserve System, and then sums up his arguments as follows:

"To the extent that the independence of the Corporation is impaired, the dual banking system is endangered. The independence of the Corporation is fundamental to the continuance of Federal deposit insurance as now constituted. Its independence cannot be destroyed or whittled away without changing the basic character of the Federal deposit insurance system and impairing the dual banking system. Federal deposit insurance cannot function successfully as a mutual insurance fund while subjected and subordinated to the vagaries of the monetary or fiscal policies of the Federal Reserve Board or the Treasury Department. . . . If consideration is given to these fundamental truths and concepts, the recommendations of the Commission or the task forces cannot be adopted."

As a possible alternative to the Commission's specific recommendations, it was suggested that "If redistribution of the Federal banking functions is considered desirable by the Congress, it could be achieved by transferring the bank-examination authority and the related supervisory powers of the Federal Reserve System to this Corporation. The task force report on regulatory commissions suggests this as a possibility or as an alternative to the transfer of control of the Corporation to the Federal Reserve Board."

In concluding, the Chairman warned that "Changes in the present Federal bank-supervisory system or in the independence of the Corporation should be approached with the utmost caution and only after a most careful study of the necessity for such changes and the consequences which can flow therefrom."

Comments from other departments or establishments affected by these Hoover Commission recommendations will be covered in subsequent committee releases.

The letter from the Chairman of the Federal Deposit Insurance Corporation follows:

FEDERAL DEPOSIT INSURANCE  
CORPORATION,  
Washington, D. C.

HON. JOHN L. MCCLELLAN,  
Chairman, Committee on Expenditures  
in the Executive Departments,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR: This is in response to your request of recent date, in which you ask that this Corporation furnish your committee with a report relative to the various recommendations and textual discussions in the reports of the Commission on Organization of the Executive Branch of the Government which affect this Corporation.

On behalf of our Board of Directors I wish to thank you for affording us the opportunity of expressing our views on this most important subject.

The major recommendations concerning this Corporation are contained in the Commission's report on the Treasury Department, the task force report on lending agencies, and in the portion of the task force report on regulatory commissions dealing with the Federal Reserve Board.

The report of the Commission on the Treasury Department recommends that the Corporation be placed under the supervision of the Secretary of the Treasury. The rationale for this recommendation apparently is that it would insure the continuation of the cooperative arrangements now existing among the three Federal banking agencies,

viz: the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency.

From this recommendation Commissioners Brown and Forrestal dissented, contending that the Corporation should be left in its independent status unless Congress determines to transfer to the Treasury all Federal banking agencies, including the Federal Reserve System. Commissioners Aiken, Pollock, and Rowe, also dissented and concluded that if this Corporation were put into the Treasury one of the main reasons is because its bank-examining functions should be more closely integrated with those of the Comptroller of the Currency. These Commissioners point out that the same reason is equally valid as to the bank-examining functions of the Federal Reserve System which require integration just as much and just as little as those of the Federal Deposit Insurance Corporation.

The task force report on lending agencies (appendix R) recommends that this corporation be placed under the supervision of the Federal Reserve Board as a mutual insurance trust. The report attempts to justify this recommendation as follows: "The Corporation's principal function is one of bank supervision and regulation. It makes bank examinations and it issues regulations to govern the activities of insured institutions. This function is so similar to one of the present principal functions of the Federal Reserve Board that we find no compelling reason for the continued existence of the Corporation as an agency separate from and independent of the Federal Reserve Board." This report then proceeds to point out several so-called undesirable aspects of the division of responsibility for bank examinations among the Federal Reserve Board and this Corporation, and concludes that the deposit insurance function should be subordinated to the general functions now vested in the Board of Governors of the Federal Reserve System.

An alternative recommendation is made in the report regarding the Corporation, if it is to continue as an independent agency. In this event the task force recommends that the Corporation be given unrestricted authority to make examinations of the assessment base in the case of banks examined by other agencies where the scope of the examinations made has not included a sufficient review to assure that assessments have been paid as required.

That portion of the task force report on the regulatory commissions (appendix N) which deals with the Federal Reserve Board contains the recommendation that consideration be given to the possibility of combining all Federal bank supervisory activities in one agency. This report claims that the adoption of this recommendation would "eliminate interagency friction and permit some saving through consolidated operations both in Washington and the field. It would even the application of supervisory standards. And most important, it would provide a unified supervisory policy in the event of another banking crisis."

The report goes on to state that "while a reasonable case can be made for any one of the present three agencies as the center of such consolidation, we suggest the Federal Reserve as the most promising." The basis for this conclusion is stated as being the necessity of tailoring bank examinations to fit credit policies, and the present regional set-up of the 12 Federal Reserve banks.

Without intending any criticism whatsoever of the work of the Commission or the task force, it is submitted that the recommendations pertaining to this Corporation suggest lack of understanding of the basic reasons for creation of the Corporation as an independent agency and its relationship to the Federal Reserve System, the Comptroller of the Currency, and the 48 State-bank

supervisors. This is due in part, we believe to the piecemeal method by which the task forces studied the functions of the Corporation.

For instance the Corporation was studied as a lending agency although it was granted lending authority solely as one of several methods of protecting depositors and the Corporation, therefore, has nothing in common with the conventional lending agencies of the Government.

In the task force report on regulatory commissions, the Corporation was considered in connection with one phase of the functions of the Federal Reserve Board. In our opinion this was an entirely inadequate method of examining the Corporation's functions and duties. There is no sound reason why the Corporation should not have been studied separately on the same basis as the nine agencies included in the task force report on regulatory commissions. Had the Corporation been studied in that manner we are convinced there would have been a more satisfactory understanding of the functions and duties of the Corporation and the basic principles of Federal Deposit Insurance as it is now constituted. We believe also that a study of that type would have resulted in completely different recommendations.

In formulating the recommendations concerning this Corporation, apparently neither the Commission nor the task forces gave consideration to the fundamental principles upon which Federal deposit insurance is founded. What has been emphasized throughout these reports is the somewhat shopworn question of whether there is duplication or overlapping of functions among the three Federal banking agencies. Since the creation of this Corporation in 1933, this charge of duplication has been made repeatedly—has, with the same repetition, been investigated and determined to be without basis. The charge has refused to stay down, however, and is continually being disinterred, dusted off, and presented as a brand new startling discovery. This charge of duplication or overlapping has been repeated so many times that many have begun to accept it as true. That it is not true was just recently established before your committee in the hearings on S. 526, the pending reorganization bill. I respectfully call your attention to my testimony in those hearings on February 15, 1949, and to the testimony of Mr. F. Raymond Peterson, vice president, American Bankers Association, and chairman of the Board of the First National Bank & Trust Co., Paterson, N. J., all of which is set forth in the transcript of the hearings at pages 185 to 198. I also invite the attention of your committee to the letter dated February 15, 1949, of D. Emmert Brumbaugh, Secretary of Banking, Commonwealth of Pennsylvania, and chairman, legislative committee, National Association of Supervisors of State Banks, the letter of February 16, 1949, of Mr. Fred J. Oliver, general counsel, National Association of Mutual Savings Banks, both of which letters concern this question and are set forth on pages 218-219 and 220-221 respectively of the transcript. In the same hearings (pages 227-230) are set forth a letter dated February 24, 1949, from Honorable BURNET R. MAYBANK, chairman of the Banking and Currency Committee of the Senate addressed to you as Chairman of the Senate Expenditures Committee and a statement of Senator MAYBANK which refutes clearly and completely the charges of duplication among the three Federal banking agencies.

The banking system of this country is a dual system, that is, a system in which both the States and the Federal Government issue bank charters and supervise banks. The Comptroller of the Currency charters and regulates national banks. The Federal Reserve System, through the twelve Federal Reserve banks, examines State banks which are members of the Federal Reserve System.



State banks which are members of the Federal Reserve System are known as State member banks. State banks which are not members of the Federal Reserve System are known as nonmember banks. All national banks in the continental United States are required by law to be members of the Federal Reserve System. However, membership in the Federal Reserve System for State banks is voluntary. Of the 9,762 State banks in the country at the end of 1948, 1,924 or approximately 19 percent were members of the Federal Reserve System.

The Corporation insures three classes of banks—National banks, State banks which are members of the Federal Reserve System, and State banks which are not members of the Federal Reserve System but which have elected to apply for deposit insurance. All National and State banks which are members of the Federal Reserve System are required to be insured. Deposit insurance is voluntary for State banks which are not members of the Federal Reserve System. Of the 9,762 State banks, 8,621 or approximately 88 percent are insured. Of the three Federal banking agencies, this Corporation examines the largest number of banks—some 6,694 State nonmember insured banks. The Comptroller of the Currency examines 4,991 National banks. The Board of Governors of the Federal Reserve System, through the 12 Federal Reserve banks, examines 1,927 State member banks. The total of all operating banks in the United States is 14,753. Of these there are 1,141 noninsured nonmember State banks, that is, State banks which are not members of the Federal Reserve System and not insured by this Corporation.

Each of the three Federal banking agencies has its own field of operations and its own functions and each has been granted authority which the Congress deemed necessary for the proper performance of its duties. I repeat what I said when I appeared before your committee on February 15, of this year—There is no duplication or overlapping among the functions of the three Federal banking agencies. A reference to the status granting authority to the three Federal banking agencies for the examination and regulation of banks and to those portions of the hearings on S. 526 mentioned above will, we are sure, furnish satisfactory assurance to your committee that the allegations of duplication and overlapping among the functions of the three Federal banking agencies are entirely unfounded.

Although many Members of the present Congress were also members of the Congresses which created this Corporation, first as a temporary agency in 1933, and later as a permanent agency in 1935, a review of the needs giving rise to Federal deposit insurance, we believe, will be helpful in appraising the reorganization proposals of the Commission.

You will no doubt recall that this Corporation was established to meet conditions too overpowering to be remedied by the then existing bank supervisory agencies. The chief function of the Corporation is to maintain depositors' confidence in the banking system through insurance of the depositors' accounts. As a corollary to this primary function the Corporation is necessarily concerned with the maintenance of a sound banking system. At the time of creation of the Corporation the banking system was prostrate, confidence of depositors had vanished and the effectiveness of efforts of supervisory authorities to remedy the situation was at an all time low.

The condition of the banking system at that time and the part played by the Corporation in restoring soundness and confidence was most eloquently stated by the

Honorable ARTHUR H. VANDENBERG, on the floor of the Senate on July 25, 1947:

"I ask Senators to remember back 15 years to the days of the bank holidays. I ask them to remember the utter paralysis in America as the result of the bank holidays. I ask them to remember that those bank holidays did not flow so much from insolvent banks as from the general lack of confidence in American banks. The banks themselves, when they finally went through the wringer, in 9 cases out of 10 proved that they had been solvent. It was not their lack of solvency which ruined the country for a decade; it was the lack of public confidence in them, regardless of the nature and character of their assets.

"It was under those circumstances that Congress created the Federal Deposit Insurance Corporation, and from the moment it was created and from the moment it opened its doors there has never been a succeeding moment in the life of the Nation when there has been the slightest lack of public confidence in our banking system. As a result we went all through those perilous holidays when everything else was collapsing on all sides. We went all through them without a single bank failure in the land. If it had not been for the contribution which the Federal Deposit Insurance made to the life of the Nation at that time, I dread to think what the outcome might have been."

The law creating the Federal Deposit Insurance Corporation was not hastily considered and passed by the Congress under stress of the emergency existing in 1933. Numerous proposals for Federal deposit insurance had been carefully studied by the Banking and Currency Committees of both the Senate and House for more than a year before adoption of the first deposit insurance law. During this period and in the time between the date of enactment of the first law and the date of enactment of the permanent law in 1935 much debate took place on some of the very same proposals that are now before your committee in the Commission and task force reports.

Serious consideration was devoted to the question of whether Federal deposit insurance was to be a Government guaranty of deposits or a mutual trust established and sponsored by the Government and maintained by the banks. The present system, a mutual trust arrangement, was adopted in preference to a direct governmental guaranty. Thus, control of the Corporation by any of the executive departments, including the Treasury, was automatically excluded as being inconsistent with the mutual character of the Federal deposit insurance system and a bipartisan board of directors was given authority for the management of the Corporation as a means of assuring independent and impartial administration.

Extended argument was had on the question whether the Federal Reserve Board should have any direct or indirect control over the Corporation. Fear was freely expressed, especially by the small banks, that if the Federal Reserve System should control the Federal Deposit Insurance Corporation, deposit insurance would be used as a means of forcing State banks into the Federal Reserve System, which during its 20 years of existence prior to that time had been notably unsuccessful in inducing State banks to become members. To allay these fears the Corporation was established as an independent agency, thus assuring national banks, State member and State nonmember banks of nondiscriminatory treatment, and a proposal for Federal Reserve representation on the board of directors of the Corporation was rejected.

The Federal Deposit Insurance Corporation thus was intended as and became the unifying link between the State banking and

national banking systems. Consistent with this concept of Federal deposit insurance as conceived by the Congress, the Corporation's policy has always been one of strong advocacy and support of the dual system.

There are, therefore, fundamental reasons why the Federal Deposit Insurance Corporation should remain an independent agency, free from the control or interference of any other agency or department. Its independence and the dual banking system are interdependent and are inextricably bound together. To the extent that the independence of the Corporation is impaired the dual banking system is endangered. The independence of the Corporation is fundamental to the continuance of Federal deposit insurance as now constituted. Its independence cannot be destroyed or whittled away without changing the basic character of the Federal deposit insurance system and impairing the dual banking system. Federal deposit insurance cannot function successfully as a mutual insurance fund while subjected and subordinated to the vagaries of the monetary or fiscal policies of the Federal Reserve Board or the Treasury Department.

The keystone of deposit insurance is the power of the Corporation to examine insured banks, for it is only through this means that it can maintain the soundness of the banking system and nurture the confidence of depositors. The power to examine its risk is as vital to deposit insurance as it is to any other type of insurance undertaking, and the Congress so considered it when the permanent deposit insurance law was enacted. This is made abundantly clear in the debates on the Banking Act of 1935. In his testimony before the Senate Banking and Currency Committee on the Banking Act of 1935, the then Chairman of the Federal Reserve Board, the Honorable Marriner S. Eccles, stated that it was essential that the Corporation have the power to examine banks. This is obvious and axiomatic, unless deposit insurance is to become merely a Government hand-out with no questions asked. No mutual deposit insurance fund can exist without authority in the managers of the fund to determine the conditions of banks, to correct abuses, and to prevent losses as well as pay them.

If consideration is given to these fundamental truths and concepts, the recommendations of the Commission or the task forces cannot be adopted.

To our knowledge there has been no contention made that the present system is inefficient or unworkable. As a matter of fact, the task-force report on regulatory commissions states that "the present supervisory system works tolerably well." The Comptroller General of the United States and your committee have praised the able management of the Corporation. None of the three Federal banking agencies uses Government funds. All three are supported by the banks and the banks do not want any change in the supervisory arrangement and have made their views known to your committee.

What, then, is the basis for recommending that the Treasury or Federal Reserve Board take over control of this Corporation? It is submitted that there are no sound reasons for either of such proposals. On the contrary, the adoption of either proposal would be the beginning of the end of Federal deposit insurance as it is now constituted, for as we have pointed out above, control by either Treasury Department or the Federal Reserve Board would be inimical to the fundamental principles of deposit insurance. The ultimate result of such control might be the substitution of a direct governmental guarantee of deposits maintained largely at the expense of taxpayers.

However, this does not rule out entirely the possibility of simplifying Federal bank

supervisory functions. If redistribution of the Federal banking functions is considered desirable by the Congress, it could be achieved by transferring the bank examination authority and the related supervisory powers of the Federal Reserve System to this Corporation. The task force report on regulatory commissions suggests this as a possibility or as an alternative to the transfer of control of the Corporation to the Federal Reserve Board.

The vesting of the Federal Reserve Board's examining powers in this Corporation would not adversely affect the functioning of the Federal Reserve System, since during the three decades of its existence there has been no evidence that the Federal Reserve Board has used bank examination to implement monetary policies. Whether the examining processes could be so used is extremely doubtful, but if it could be made a tool of monetary policy we would most strongly urge against it. The use of the bank examination processes to implement monetary policy—that is, to relax requirements and scrutinize bank assets loosely when encouragement of bank expansion is required and to tighten requirements and inspect bank assets more stringently when discouragement of expansion is desired—would subvert the proper function of bank examinations. Reports of examinations made in such an attitude would be worthless as a basis for enforcement of banking statutes, and would also be worthless in appraising the risks of the Federal Deposit Insurance Corporation. It would be impossible for examiners to evaluate assets on the basis of varying standards, and an effort to do so would destroy the usefulness of examiners. Neither they nor bankers could retain confidence in the integrity of the judgments expressed in examination reports. Uncertainty on this point has been expressed by the author of the staff report on the Federal Reserve Board for the Committee on Independent Regulatory Commissions of the Hoover Commission, who stated: "There is little evidence so far that bank examination can, or should, play a major role in implementing credit policy."

On the other hand, it has been the view of the Congress, concurred in by the former Chairman of the Board of Governors of the Federal Reserve System, that the power of examination is essential to the proper functioning of the Federal deposit insurance system. Moreover, the Comptroller General of the United States, an arm of the Congress, has recommended the transfer of all examining functions to this Corporation.

For many years the Federal Reserve Board has relied on and used reports of examinations of national banks made by the Comptroller of the Currency in carrying out the Board's monetary duties. Of the total of 6,918 member banks (4,991 National, 1,927 State banks), the Federal Reserve Board examines only the 1,927 State member banks. If the examination reports of the Comptroller of the Currency for approximately 5,000 national banks have served the Federal Reserve Board's purposes all these many years, surely reports of examinations made by this Corporation ought to suffice as to the 1,927 State member banks in the event the Corporation is given authority to examine such banks.

The Board of Governors of the Federal Reserve System makes its examinations of the 1,927 State member banks through the semi-autonomous 12 Federal Reserve banks. According to the above-quoted author of the staff report to the Committee on Regulatory Commission, "the Federal Reserve Board policy appears to be carried out somewhat less effectively into actual field examination use than are the central policies of the other two agencies." If this statement is correct, and we would like to emphasize that we have no information on this subject, the transfer of the examining powers of the Federal Reserve System to this Corporation

would result in a more unified supervisory policy for State member banks now examined by the 12 Federal Reserve banks. Furthermore the transfer of the examination powers of Federal Reserve Board to the Corporation would eliminate the somewhat anomalous situation resulting from the election of the majority of the directors of the Federal Reserve banks by the member banks. Through this power of electing the majority of the Board of Directors of the Federal Reserve banks the examination procedures and policies of each of the 12 Federal Reserve banks are susceptible of being controlled by the banks examined.

To be considered also is the fact that the Corporation now deals with more banks than either of the other two Federal banking agencies. As pointed out above, only 1,927 of the 9,762 State banks are members of the Federal Reserve System and are examined by the Federal Reserve banks; the Comptroller of the Currency supervises and examines 4,991 national banks. In contrast, this Corporation insures all of the State banks which are members of the Federal Reserve System, all national banks, and in addition, insures and examines 6,694 State nonmember insured banks.

Therefore, if simplification of the Federal banking supervisory structure is deemed necessary by the Congress, would it not be logical and sound to transfer to this Corporation the bank examination and related powers of the Federal Reserve System.

In summary, I would like to reiterate that the Corporation was established as an independent agency with a bipartisan board because the public, through the Congress, insisted upon the continuation of the dual banking system. The Corporation was created as and still is a necessary vehicle for aiding, strengthening, and sustaining the dual banking system. The division of Federal banking functions among the three agencies was made by the Congress for reasons deeply embedded in our system of government. Changes in the present Federal bank supervisory system or in the independence of the Corporation should be approached with the utmost caution and only after a most careful study of the necessity for such changes and the consequences which can flow therefrom.

Appreciating at all times your interest in this Corporation, and with kindest personal regards, I am, believe me,

Cordially and sincerely,

MAPLE T. HARL.

#### CIVIL AERONAUTICS BOARD—RECOMMENDATIONS OF HOOVER COMMISSION

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I have prepared commenting upon the recommendations of the Hoover Commission with regard to the Civil Aeronautics Board, and the response of the Civil Aeronautics Board.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

WASHINGTON, D. C., July 8, 1949.—The Civil Aeronautics Board, in a sharply worded statement released today by Senator JOHN L. McCLELLAN, of Arkansas, chairman of the Senate Committee on Expenditures in the Executive Departments, vigorously opposes major recommendations of the Hoover Commission affecting its operations.

Dissenting upon three Commission reports on Regulatory Commissions, the Department

of Commerce, and the Post Office Department, the Board's report, signed by Joseph J. O'Connell, Jr., Chairman, centers its opposition upon recommendations which would separate the so-called executive operations of the Board from its regulatory functions, and transfer them to the Department of Commerce.

The Board focuses its attention upon recommendation No. 11 of the Commission's Report on Regulatory Commissions, which would transfer the promulgation of regulations relating to aircraft safety to a proposed Bureau of Civil Aviation which the Hoover Commission would establish in the Department of Commerce, with the right of appeal from enactment of, or refusal to enact, any regulation to the Civil Aeronautics Board.

Commenting on the Hoover Commission's report on the Department of Commerce, which repeats recommendation No. 11 of the Regulatory Commission Report verbatim in recommendation No. 5, the Civil Aeronautics Board states it is not aware that any of its functions can properly be described as nonregulatory. It declares that in any event the promulgation of rules and regulations is most assuredly regulatory in character, and criticizes the Hoover Commission for lack of logic in proposing separation of such a regulatory function while at the same time specifically retaining the more nonregulatory function of investigating aircraft accidents in its present status with the Board.

As to vesting right of appeal in CAB, the Board comments:

"This important qualification clearly would vest in the Board the power of veto on the one hand, and of affirmative compulsion on the other, since upon appeal or request for review it could: (a) Prevent promulgation, or (b) require promulgation of a specific regulation. This right of appeal or review would certainly compound such confusion as may exist at the present time and, in the more than offset any theoretical operating opinion of the Board, would in itself alone, more than offset any theoretical operating advantage to be gained by the proposed transfer of functions from the Board to the Department of Commerce. Potentially, it would involve extensive duplication of effort and personnel since the Board, to adjudicate appeals or requests for review, would require a staff only slightly less than that presently assigned to the function of promulgation."

The Board concludes:

"It is the opinion of the Board that the transfer of the function of promulgation of civil air regulations cannot, by any stretch of the imagination, be justified on the grounds of grouping in the Department of Commerce non-regulatory-transportation activities, since such function is distinctly regulatory in character; that consolidation of the functions of promulgation and administration if effected at all, should be in the Board rather than the Department of Commerce; and that the arrangement proposed under recommendation No. 5 would be more cumbersome than the existing division of responsibility. Therefore, the Board does not concur in this recommendation."

The Civil Aeronautics Board also opposes Hoover Commission recommendation No. 1 (Department of Commerce) that all major nonregulatory transportation activities of the Government should be centrally grouped under a proposed Bureau of Civil Aviation in the Department of Commerce. It accepts the minority dissent of Commissioner Clarence J. Brown, of the Hoover Commission, that "in the field of transportation, the regulatory function is predominant and the executive, promotional, and administrative activities relating thereto must adhere to the broad regulatory structure."

The Board further dissents to Recommendation No. 12 of the Commerce report



which would make the Secretary of Commerce responsible for over-all air, land, and water transportation routes, stating:

"The Board believes that over-all route programs for air are an essential responsibility developing upon the Board; one that has been fully discharged consistent with the requirements of law; and one which, neither in theory nor in practice, can be divorced from the regulatory functions prescribed under the Civil Aeronautics Act.

Recommendation No. 9 of the Hoover Post Office Department Report which would provide that mail subsidies to common aircraft carriers be paid to the Post Office Department by open appropriation from tax funds, and not imposed upon the Post Office or the mail users in a hidden manner, is also opposed, as follows:

"Not only would such segregation be extremely difficult to achieve but it would greatly increase the length and complexity of rate proceedings coming before the Board and, if undertaken at this time, would certainly result in further undesirable delays in handling the great volume of mail rate work already pending before the Board.

"In the opinion of the Board, no determination on this very complex question should be attempted until the matter can be fully explored and the financial condition of the industry reaches more stable proportions. After considerable preliminary study of the matter, the Board issued as part of its economic program for 1949 an order instituting an investigation of the cost, to domestic trunk-line carriers certificated to carry mail, of handling and transporting mail, and of the factors which enter into the determination of fair compensation for carrying the mail. The results of this investigation are felt to be essential to intelligent consideration of the economic and procedural implications of any plan to separate appropriations for mail compensation between subsidy and cost. Therefore, the Board does not, at least at this time, concur in the above recommendation to the extent that it might require immediate legislation to effect the separation of mail pay and subsidy. If, after further study, it should appear that such separation is both feasible and desirable, the Board shares the view (advanced in the task force report on Regulatory Commissions) that the amounts required for subsidy should be appropriated to the Board rather than to the Post Office Department."

The Board also does not consider the recommendations which would invest all administrative authority in its Chairman to be practical, and does not concur in the recommendation which would provide that a commissioner, upon expiration of his term, continue to hold office until his successor has been appointed and qualified; but favors recommendations which would increase salaries of commissioners, board members, and staff assistants; authorize commissioners to delegate routine matters to staff members under their supervision, and, in general, improve disposition of business before administrative agencies.

(NOTE.—The full text of the Civil Aeronautics Board statement on the Hoover Commission reports is available for examination in the office of the Senate Committee on Expenditures in the Executive Departments, room 357, Senate Office Building.)

#### PRICING PRACTICES—MORATORIUM—AMENDMENTS BY HOUSE AND STATEMENT BY SENATOR KEFAUVER

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD the amendments adopted by the House to Senate bill 1008, a bill to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, and a

brief discussion by me of what they mean.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### STATEMENT OF SENATOR KEFAUVER ON S. 1008—BASING-POINT LEGISLATION

Mr. President, the House of Representatives on yesterday passed the bill from the Senate dealing with basing point legislation. The bill was passed with four amendments which are as follows:

##### AMENDMENTS

1. Page 2, line 15, strike out all after "faith", down to and including "competition" in line 17 and insert "(except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section)."

2. Page 3, lines 9 and 10, strike out "(other than a discrimination which will substantially lessen competition)" and insert "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)."

3. Page 3, line 14, after "competitor", insert ", and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

4. Page 4, line 7, strike out "substantial and probative evidence" and insert "reasonable probability."

Amendments 1, 2, and 4 are substantially the same as amendments written into the bill with the approval of the distinguished Senator from Wyoming [Mr. O'MAHONEY], and by unanimous vote of the Senate. The amendments adopted in the House cover the same subject matter and have the same effect but are improvements in the amendments which I presented. This is also the opinion of the distinguished Senator of Louisiana [Mr. LONG] who has led the fight for the protection to small business sought by these amendments.

I am extremely gratified with the action taken by the House. As you know, when this measure was debated on the floor of the Senate, I proposed the three amendments which were accepted unanimously by the Senate. These amendments were prepared very hurriedly. Having had very grave misgivings about the bill as it stood at that time, I hurriedly composed my amendments and offered them on the floor. Between the time S. 1008 passed the Senate and the time it was considered on the floor of the House, I realized that the amendments which I had offered in the Senate needed to be made stronger and clearer.

As you know, S. 1008 appeared on the floor of the House minus two of the amendments that I had offered; but, due to the able efforts of Congressman CARROLL and other Members of the House, yesterday, my amendments, improved and strengthened, were put back into the bill and passed by the House.

The first amendment, inserted by the House into section 2 (B) of the bill, reads: "Except where such absorption of freight will be such that its effect upon competition may be that prohibited by this section."

The second amendment, inserted into section 3 of the bill, reads: "If the discrimination is not such that its effect upon competition may be that prohibited by this section."

The Carroll amendments, I wish to emphasize, retain the exact language now existing in section 2 of the Clayton Act, as amended by the Robinson-Patman Act. Such amendments, therefore, cannot possibly produce any uncertainties or confusion in the existing law. They simply reiterate the present language of section 2 of the Clayton Act, which prohibits a discriminatory price where "its effect may be substantially to lessen competition, to injure, destroy, or prevent competition, or tend to a monopoly of any line of commerce."

I accept the Carroll amendments wholeheartedly. They perfect what I attempted to do hurriedly on the floor of the Senate.

Without the first Carroll amendment, S. 1008 will permit big business to destroy, through the device of price discrimination achieved through the use of freight absorption, the growth of independent industrial enterprise which occurred during the late war.

Without the second Carroll amendment, powerful corporations are given the legal right to put small retailers and distributors out of business by the vicious practice of price discrimination, thus wiping out the Robinson-Patman Act. Without the Robinson Act, big business will have a free hand to grow at the expense of the unfair destruction of independent merchants by the sharpened tool of price discrimination.

The Carroll amendments, in my opinion, cure 75 percent of the bill's original destructive purposes. There still remains the issue of whether this bill does not give a legal green light to the price-leader type of monopoly, and thereby drive a large hole into the existing antitrust laws. It may be too late to ask for a 100 percent cure, but we must stand firm on the Carroll amendments, which remove a considerable part of the damage. They must constitute the irreducible minimum of concession of this bill for those who believe in the antitrust laws and fair competition in business.

Inasmuch as the House amendments have the same purpose as the Senate amendments, and are in better language, they should be accepted rather than have the bill go to conference.

#### THE UNEMPLOYMENT SITUATION

Mr. WILEY. Mr. President, we are all anxiously watching the symptoms of recession in our country just as a doctor watches the fever period of a sick patient. As I commented on the floor of the Senate yesterday, we must think in terms of protection of our own people in the economic crisis in which we are increasingly finding ourselves. Unemployment is gradually mounting, and also we would all like to believe some of the rosy statements which have been made. Nevertheless, we do not want to take any chances and we certainly do not want to slip into another depression. I, for one, feel that there is no ground for pessimism; neither do I feel that we should be Pollyannas or smug about the present situation.

I send to the desk a statement which I ask be printed on this theme at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### COMMENTS BY SENATOR WILEY ON UNEMPLOYMENT SITUATION

Mr. President, I received this morning an important letter from the secretary-treasurer of the Wisconsin State Industrial Union Council, who has commented upon the unemployment situation in Wisconsin. This letter from Mr. John M. Sorenson reads as follows:

"DEAR SENATOR WILEY: The Wisconsin State Industrial Union Council is very much disturbed over the employment situation in Wisconsin, especially in Eau Claire, Wausau, and other smaller Wisconsin cities where thousands are unemployed with no other place to go for a job.

"In Milwaukee County alone over 16,000 are registered as available for employment. Over 12,000 of these are drawing unemployment compensation. Other thousands are working but part time. The income of the part-time and unemployed workers is not

sufficient for a decent standard of living. Their continued lack of purchasing power is not a healthy situation for the economy of Wisconsin and the Nation.

"We ask that the Government take whatever action is necessary to cope with the growing problem of unemployment and part-time employment.

"Some may say that the present employment situation is healthy, but you try to tell that to a man who is trying to support his family on the \$24 weekly unemployment-compensation benefit.

"Very truly yours,

"JOHN M. SORENSON,

"Secretary-Treasurer."

I believe that Mr. Sorenson's communication gives me and every other legislator food for thought. I have been following very closely the reports from the Wisconsin State Employment Service as more and more symptoms of recession come in. The June 1949 report of the Wisconsin Labor Market states:

"The number of job seekers at WSES offices increased slightly due to continuing layoffs at some manufacturing plants and the entry of school youth into the labor markets \* \* \* the downward trend of average weekly hours of work in manufacturing continued in April and reached a postwar low of 39.3 compared to 42.0 in October 1948. \* \* \* The range of average weekly hours in nine Wisconsin cities for April was from 42.1 hours to 34.3 hours, with only two cities above 40 hours. \* \* \* In Racine employment resumed a downward trend as 1,000 manufacturing workers were separated from 87 firms in the past 60 days; additional layoffs and a continuation of the shortened workweek \* \* \* is expected for the immediate future. \* \* \* In Manitowoc layoffs \* \* \* pushed the number of workers on manufacturing pay rolls down by 11 percent in the past 60 days for the most severe drop since the end of the war."

And so the story goes, with some bright spots here and there, but with many dark spots increasingly evident.

It is obvious, therefore, that the President, his Cabinet, and the Congress must give careful consideration to comprehensive ways and means by which we can help meet this problem. Obviously, more purchasing power is needed in the hands of our people in order to assure continuing demand for products. If we got rid of some of the nuisance excise taxes which discourage purchasing, we would have made some small contribution to production.

The whole system of taxation proves discouraging to many businessmen who want to develop new facilities, add new machinery, create new jobs, but who find that their liquid capital is limited by the tremendous burden of Federal taxes.

One of the pieces of legislation that I feel is necessary is extension of the readjustment allowance benefit of the GI bill of rights. This provision dies in exactly 17 days on July 25, unless we renew it, as I have suggested in S. 1972, and as recommended by America's leading veterans' organizations.

I should like to quote from another letter which I have received from a CIO officer in my State, Mr. Glenn M. Clarke, secretary-treasurer of the Milwaukee County Industrial Union Council:

"DEAR SENATOR WILEY: We are writing you in behalf of all veterans, regardless of whether they are members of our organization or not.

"Federal unemployment benefits for veterans will expire in July if the expiration date for such benefits is not extended. A large percentage of the veterans returning from service chose not to accept the \$20 a week for 52 weeks as charity and much preferred to use it for what it was meant for—something to fall back on in case of emergency. So they proceeded to obtain employment.

"Now with the unemployment situation as it is, many veterans who took new jobs, and who have the least seniority in plants, are faced with expiration of their State unemployment benefits, and still have no place to work and no place to turn.

"Yours truly,

"GLENN M. CLARKE,  
"Secretary-Treasurer."

I should like to quote too from a sample of many letters which I have received on this readjustment-allowance provision. This comes from a student in Milwaukee who, like many other students, is having tough going in finding employment. This student writes:

"I think that now is the time when veterans really need their readjustment allowances. Most of us have only used a fraction of the 52 weeks allotted and now that school is out for the summer, I find it very difficult to obtain part-time employment. Your foresight in asking for an extension to 1950 is commendable."

I am not looking for personal praise on the matter, but what I am asking, and what many of my fellow Senators, American unions, the American Legion, the VFW, and AMVETS are asking, is extension of this GI benefit.

We hope that through the suggestions of the CIO, the American Federation of Labor, the International Association of Machinists, the Railroad Brotherhoods, and all other segments of American labor, in cooperation with business and agriculture and Government, we may find sound solutions to the unemployment problem before it gets any worse.

#### THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. WATKINS. Mr. President, at the outset of my rather informal remarks today I wish to join with other Senators in expressing my appreciation for the fine appointment made by the Governor of New York in the selection of JOHN FOSTER DULLES to be a United States Senator. I especially appreciate that appointment at this time, because I believe the junior Senator from New York is one of the greatest thinkers and experts in the particular field we are discussing. As I remember, the last time I saw the new Senator from New York he was on the witness stand, and I had asked to cross-examine him, but he had to leave for New York City. I did not know then that he would be on the floor of the Senate and that I would have an opportunity here instead of in the committee hearings.

I also wish to express my appreciation, as did the Senator from Missouri [Mr. DONNELL], for the courtesies which were extended to us in appearing before the Foreign Relations Committee and asking such questions as we were permitted to ask.

I appreciate also the very generous remarks of the senior Senator from Michigan [Mr. VANDENBERG] in referring to my activities with respect to the problem which is now before the Senate.

Having expressed my appreciation and made certain acknowledgments, I should like now to proceed with the discussion. As I stated in the beginning, it will be informal. I have not prepared a manuscript. I shall speak as I feel, and as I hope I may be led by the spirit of this particular occasion and the emergency of the hour. I believe that we face a real

emergency, one of the greatest emergencies this country has ever faced. I believe that the decision before us is the most important that any Senator will be required to make during his term in the Senate.

Because of the importance of the problem, I have personally spent a great deal of time on it, not because I felt that I knew more about it than anyone else, nor because I wanted to pose as an expert, but because my lack of knowledge made me realize that in order to cast an intelligent vote and make an intelligent decision I would have to do a great deal of studying. Moreover, in view of the failure of peace offensives of the past, I felt that we could not afford to make a mistake again. This matter is so important to me, and I feel that it is of such importance to the Nation and to all the peoples of the world, that I simply do not want to make a mistake. I do not want a mistake to occur even in the decision of one Senator. I cannot afford to be mistaken. In the light of whatever intelligence I possess and whatever I can learn by diligent research, I want to make the right decision. For that reason I have approached this problem humbly. This is one of the most important and difficult decisions I have been called upon to make. I have tried to examine the entire situation to see what should be done in this particular world crisis.

(At this point Mr. WATKINS yielded to Mr. MAYBANK for the consideration of the conference report on Senate bill 1070, which appears elsewhere under an appropriate heading.)

Mr. WATKINS. Mr. President, I am just beginning my remarks. I was very happy to accommodate the Senator from South Carolina [Mr. MAYBANK]. However, when I get started in the theme of my speech, I shall appreciate it if Senators will withhold questions until I am through.

Mr. President, I think we all agree on the objectives which are sought by the pending treaty. We all want peace. We all want to avoid a third world war if possible. This world is sick of war. The youth of this land and the youth of the world deserve a better future than is now in prospect.

Whatever disagreement there may be between the proponents of the treaty and myself; it is largely one of method rather than one of principle or of objective. I believe that it is most important that we have this understood in the beginning, because I realize that one who has criticized this treaty, which seems to be popular with the people and seems to receive so much support in this Chamber, is laying himself open to criticism. Americans say, "Yes, we must have opposition; there must be a testing of the various measures that come before the country;" but they are not always so kind to those who raise opposition or ask questions.

At the very beginning I realized that there would be criticism of any Senator who, after the pact was signed, would continue to raise questions. For that reason, I asked the President of the United States, as courteously as I could, and as I felt I had a right to do as a



representative of my people, to give to the country the text of the treaty 60 days before its signature, so that it might be studied, considered, and analyzed before the formalities of the signing of the treaty here in the city of Washington. I did so because I felt that we should not be confronted with a fait accompli, that the Senate should be in a position to consider this matter without pressure of any kind, other than the pressure of Senators' consciences and of the emergencies which might develop on particular occasions. However, the President in his wisdom saw fit to deny that request.

I do not agree, as some witnesses have expressed before the Foreign Relations Committee, that it is a good policy to coerce the Senate. I remember that a former Ambassador from the United States to Germany said, in effect, that he thought it was a good policy. Various persons have written editorials and articles in the press contending that now that the treaty is signed, it would be a catastrophe if it were not ratified. There has been tremendous pressure on Senators who take an opposing view to curtail the debate—pressure from those on the outside, not from Members of the Senate—so that the treaty might be approved and, as it is said, so that we might thus further the cause of peace.

I have explained my motives in going into this matter in the way I have. I had some doubts with respect to the various problems connected with it.

Mr. President, I have no sympathy whatever for communism or for those who stand for that type of government in the world. I have been against that form of government ever since its very inception and since it was presented to the world after World War I. I opposed the recognition of Russia. I believe that Russia was not entitled to recognition, because her word could not be trusted. Presidents of the United States, beginning with Woodrow Wilson and including Harding, Coolidge, and Hoover, had likewise refused to accept Russia into the family of nations and to accord her recognition. That was because of the conduct of Russia. She had refused, as I recall, to give approval to contracts which had been made in the name of the Russian people by a preceding government. Russia had failed to give the necessary assurances that she would not propagandize her way of life and her kind of government. There is something fundamentally different between that government and that ideology and all it stands for and the Christian concept. On the one hand, we have our belief in God, that man is a child of God, that this world and everything in it, including the various governments of men, and all the facilities and blessings that come to us, are for the benefit of man, and that government is only an instrument in the hands of man to help him accomplish a better way of life.

On the other hand, we have the view of the statist government that man is only a pawn, that he lives for the state, and that the state is everything.

Those two views have clashed. I have taken my stand as a Christian against the Russian view.

I do not agree with the criticisms, which have been hurled against this country and the other nations in the North Atlantic Pact, that this treaty is a war-mongering measure. I totally disagree with that view. I believe that the men who have proposed this treaty and who are its principal proponents are sincere; they want peace; they believe this is the best method of achieving peace, following the events of the past, and in view of the present world situation. They are sincere, honest men; and they are not attempting in any way, shape, or form to bring about a war in the world for the benefit of any group. I wish to say that plainly. I may disagree with these men in their views as to the best methods, but certainly I do not subscribe to any criticism of them on the theory that they are seeking to bring about war.

However, Mr. President, in considering a measure of this kind we must face the facts, we must reject any idea that it is proper for use to adopt any proposal without checking to find out just what it means. We cannot act intelligently unless we have all the facts.

That is one of the reasons why I have asked so many questions—to bring out the facts in connection with this entire matter, so that we can get a fair picture of what is proposed, how it will operate, how it will conflict, if it will, with existing treaties, and what it will do for us in the world. I believe the Senator from Michigan also gave us something which we can take as more or less of a slogan, when he said that we must say what we mean and mean what we say. We need, then, a plain statement of truth—all the truth, both pleasant and unpleasant.

What is the situation we face? How did we get into our particular difficulties of today? Let us face the matter squarely.

In World War II we went through an intense struggle. After that war ended, the people were anxious to have their boys returned home. That became somewhat of a political issue, as I remember, in one of the campaigns. We ended World War II with a hope that we were now going to have some kind of organization that would make it impossible for war to occur again. We decided before the war ended that we would set up an organization that would accomplish this purpose. The nations had been called together and there had been activities going on behind the scenes which laid the groundwork for the organization which was finally set up.

But the difficulty about it all was this: We were not given the entire facts. We were not told the entire truth about the number of the nations that were to be brought into the United Nations Organization. That has resulted, in my judgment, in one of the greatest difficulties connected with the whole peace problem. We were not told for instance that one of the nations which was said to be a peace-loving nation was actually, behind the scenes, attempting to grab more and more territory and to advance its claims, contrary to the Atlantic Charter, which had been adopted by these nations. We were not told the truth about Russia, and I believe that is one of the

main reasons why we have had our difficulties, because we took Russia into the organization at San Francisco, and, after taking her in, we found that she was not a peace-loving nation.

Mr. President, sometime ago when this problem was before us, I had occasion to talk upon the Greek-Turkey loan. Some of the problems we are now confronted with arose at that time. I referred to the commitments which we had made in the Atlantic Charter and in our declaration of war. At that time I said:

Mr. President, we made commitments in the Atlantic Charter and in our declaration of war which, together with the repeated blunders and errors of diplomacy and strategy during the war, have placed us in a dangerous situation, from which we dare not retreat any further unless we are willing to confess that we have lost the war and that our future defense will take place entirely from the Western Hemisphere.

Mr. President, I am voting for this bill with the belief and the hope that this is only the first step; that we shall now come back to the first principles as set forth in the Atlantic Charter not only in Greece and Turkey but in China; that we will reverse the action we took in that nation recently when we decided not to take sides as between the Nationalists and the Communists, but decided to get out; that we will redeem our promise made to the Koreans that they shall have their independence; that we shall refuse to make any more agreements with Russia until she gives some evidence that she is willing to honor and respect the agreements she has already made from the days of the Atlantic Charter down to the present time; that as a logical outgrowth of that stand we shall not ratify the treaty with Italy which renders Italy defenseless for a long time to come against a constant threat of the Communist Tito and his government which is a satellite of Russia; that with respect to Germany we make no further agreements of any kind with Russia respecting that nation until such time as Russia honors her past agreements; that we lay all of the facts on the table before the United Nations.

I then said:

Let us also declare it as our policy that we expect to honor all our agreements and expect other nations to do likewise; that we shall be glad to help Russia attain any of her legitimate ambitions and her necessities by peaceful means. In fact, let us declare to her that as we are a Christian nation, we shall be willing to abide by the doctrine of the Christ, known as the Golden Rule.

By taking this stand, Mr. President, I sincerely believe we can stop the present ideological war and prevent a shooting war of world war III. Half-way measures, in my opinion, will not do. We must go the full distance. This is a case which requires the boldest of action. By any other methods I believe we court disaster, and I say this notwithstanding the fact that we have the atom bomb.

The part I wish to emphasize, Mr. President, in connection with this statement is that it was made in the first place over 2 years ago when I first came to the Congress, and when I pointed out that by reason of the situation we were in, we had to take bold action, that we should call in Russia and the other nations, lay all the facts on the table, and then find out just what could be done with these nations to bring about an agreement. Thus we would have together the various nations with their claims. If Russia, for instance, had claims she legitimately could propose

and urge and justify, they could then be considered. For example, it has been said that one of the age-long needs of Russia has been for a warm-water port. If she required that, then she could present her claim. How much wiser it would have been to allow some of the claims of that kind, to bring about an understanding among the nations. I said at that time we must take the boldest of action. It would have been a bold action to have called in Russia and all the other nations, and to have had presented at that time, in accordance with the Byrd resolution, the views of all these various peoples, and, if we could not come to a satisfactory settlement, either agree upon the dissolution of the United Nations or else get out of it ourselves to form another group to accomplish its original purposes. But by proceeding as we have been, we have moved from one crisis to another until at the present time we are face to face with a complete breakdown of our peace-making machinery.

Mr. President, I do not desire to spend too much time on preliminaries, but I should like to go over some of the treaties and developments of the past, to see whether from them we can get some light that will help us in our present situation. At the close of World War I a League of Nations was organized. We did not join it, it is true, but a sufficient number of nations did join that group to make it a formidable movement for peace. France, Great Britain, the other nations of Europe, all the other powers except Germany and Russia, at the moment, and the United States, became members of the League of Nations. Through the League of Nations they sought to set up a forum to adjudicate differences to the point where the causes of war would be removed. But they did not keep that agreement. They ran into difficulties almost immediately, and they made some kind of a regional pact within the League, the Treaty of Locarno, in which Great Britain, France, Italy, and Germany agreed upon the security of their territorial integrity, and if the territory of any one of those nations should be violated, the other nations would come to its support. Germany did violate the treaty by occupying the Rhineland. France did not enforce it, although she had one of the largest and best equipped armies in the world at the time. But, notwithstanding her overwhelming power, France did not attempt to stop the Germans at that point. Great Britain, a party to the treaty, did not come to her assistance. That is important to keep in mind.

It has been said many times that the failure of the League of Nations was due to the fact that the United States did not become a party. It was not because of the lack of power, the lack of armed force, that the League of Nations failed to succeed, but in my humble opinion, it was because it did not have the will to succeed. Great Britain failed to keep her agreement with France, and France used that as an excuse for not using what power she had to stop the advance of Hitler into the Rhineland. It has been said on this floor repeatedly that if in those days, at the time Hitler

was ready to march, there had been an organization similar to the Atlantic Pact he probably never would have marched; the time to stop him was when he made his first attempt when he was testing them and trying them out. The League was a powerful organization, comparatively speaking, which could have stopped him, but the member nations did not have the will. France and Great Britain, two strong member nations, had an opportunity to stop Hitler before he became strong, but they did not do it.

Then we moved on to World War II, and the Atlantic Charter. The Atlantic Charter was a declaration of high and mighty principles laid down by Mr. Churchill and Mr. Roosevelt. They were later subscribed to by other nations which became the United Nations, including Russia and our other Allies in the war. The Atlantic Charter was, in effect, an alliance. What happened to that alliance? It won glorious victories on the land, on the sea, and in the air. We worked together. But when it came to the political and diplomatic field, what was happening? As the war progressed and we reached a point where it looked as though victory were in sight, the men who represented the Big Three nations were having difficulties. We found that as victory appeared certain, disunity among the Allied nations became evident. It has been said that our difficulties grow out of the fact that Russia will not now keep her word, that she has failed to keep her agreements. But let me invite attention to the fact that the Atlantic Charter set forth the principle that the peoples of the world, enemy and ally alike, were to be permitted to live under the type of government they desired—governments of their own choosing, and that there should no longer be great leagues of power or spheres of influence. But behind the scenes Mr. Roosevelt, Mr. Stalin, and Mr. Churchill were having extreme difficulty. They were not living up to the principles set forth in that great document.

Mr. President, I have studied the book written by former Secretary of State James Francis Byrnes, "Speaking Frankly" in which he gives us an illustration of some of the things which transpired. Just before the foreword of the book—the pages are not numbered—there is a sample page of the shorthand notes taken by Mr. Byrnes at Yalta on February 9, 1945, and on the next page there is a transcription of these notes. It is a very interesting and curious document. It brings to light a situation which I shall develop with respect to other agreements which have been taking place. It may throw some light on the undesirability of an alliance with nations who take their word so lightly.

I quote from this report of the conference given by Mr. Byrnes:

Mr. Stettinius reads from a report: "I have a brief statement as to Dumbarton Oaks. It is agreed that five governments which have permanent seats on the council should consult each other prior to the United Nations Conference as to the establishment of trusteeships."

Mr. CHURCHILL. I absolutely disagree. I will not have one scrap of British territory flung into that area. After we have done our best to fight in this war and have done

no crime to anyone I will have no suggestion that the British Empire is to be put into the dock and examined by everybody to see whether it is up to their standard. No one will induce me as long as I am Prime Minister to let any representative of Great Britain go to a conference where we will be placed in the dock and asked to justify our right to live in a world we have tried to save.

The PRESIDENT. I want Mr. Stettinius to finish the sentence he was reading because it does not refer to the matter you have been speaking about.

Mr. CHURCHILL. If we are out I have nothing to say. As long as every bit of land over which the British flag flies is to be brought into the dock. I shall object so long as I live.

Mr. STETTINIUS. The only thing contemplated as to territorial trusteeship is to provide in the Charter of the world organization the right to create a trusteeship if it desires to do so. Later on, we have had in mind that the Japanese mandated islands be taken away from the Japanese. We have had nothing in mind with reference to the British Empire.

Mr. CHURCHILL. So far as the British Empire is concerned, we ask nothing. We seek no territorial aggrandisement. If it is a question solely of dealing with enemy territory acquired during the war, it might be proper to put them into some form of trusteeship under the United Nations.

In that statement written by Mr. Byrnes we have a picture of what was going on. Notwithstanding the fact that the Charter had declared that peoples of the earth—and Great Britain had many of them under her control throughout the world—were to be free to choose the governments which were to rule over them, here was a refusal to even consider the solemn pledge made in the hour of Great Britain's peril. Here was an example of Mr. Stalin, upon which he was quick to capitalize. He likewise had his own ideas regarding the Atlantic Charter, although his own country had become a party to it.

We could go into other matters connected with the transactions behind the scenes in the political and diplomatic field, but this one, I think, illustrates the point I am trying to make—namely, that allies will stick together when the necessity is present, when the emergency is on, but they will rapidly forget their pledges the moment pressure is removed.

To recapitulate, Mr. President: Great Britain, after the pressure was off, deserted France, her Locarno partner. France would not enforce her rights in the treaty. She allowed Hitler to make the first advances, and then World War II was well on its way. Of course, it did not happen all at once; there was one step after another. Thus, the League of Nations failed—not because the League was not a proper instrument for peace, but because the member nations, individually and collectively, failed to enforce that pathway to peace.

Mr. President, the untruth has been spread over the world that the League of Nations failed because the United States refused to carry out its obligations and the promises made by Woodrow Wilson. I think an investigation of the facts will show clearly that it failed because the nations belonging to it did not have the will to carry out its provisions for peace. They all had their own selfish interests, and the moment the pressure of national



interests outweighed the general good each nation went its own way in pursuit of selfish policies.

It has been said, Mr. President, and I think it has not been successfully contradicted, that Great Britain at that very time was giving encouragement to Hitler and to Hitler's Germany, to counterbalance Russia's power. The British Government did not like Communists at that time any better than it likes them now, and so encouraged Hitler.

Thus, there were two occasions of broken pledges. The first, the treaty of Locarno; the second the Atlantic Charter, when Great Britain, through Mr. Churchill, walked out on one of the charter's most important principles; Stalin followed suit, and the President finally acquiesced. What was done in those secret meetings when Churchill and Stalin took their selfish nationalistic courses and the President acquiesced, has had a profound effect upon the history of the world. We hope we can overcome these mistakes, but we do not know.

Let me interpolate, Mr. President, by referring to the Greek-Turkey loan and to the so-called Truman doctrine. It should be kept in mind that all President Truman was doing and all the Congress was doing in adopting that policy was to return to the principles of the Atlantic Charter, according to which these two nations, Greece and Turkey, should be permitted to live in peace, and not be dominated or invaded by any large power. None of those sections of the earth under the domination of Great Britain were touched. Churchill said "No," and he was only indicating the truth of the statement that he did not become the King's Minister to sit in on the liquidation of the British Empire.

Mr. President, notwithstanding all that, notwithstanding the agreement at Yalta, to which the senior Senator from Michigan referred the other day in his address—and we had not done well at Yalta—notwithstanding all that, the American people were not told the true situation. We were not told, for instance, that Russia had made these claims; we were not told that, in effect, we had to bribe her with other peoples' territory, without their consent and without their knowledge, to keep her in the war. We let her have a part of Poland. We ratified the agreement she made with Hitler when she marched into Poland after the Germans had taken over. In effect, more or less, without saying so, we finally ratified what Russia had done with the minor Baltic states. We gave her a special sphere of influence in the Balkans, including Czechoslovakia, Yugoslavia, and the other countries. Then, as the greatest blunder, we permitted her to take over in the Far East special privileges in Manchuria, recognizing her rights to the railroad, and special privileges and status she had there, including the two ports which were given to her, together with the Kuriles. All that was done to entice her into the war.

What kind of a nation were we dealing with at that time? That is a natural question. Did not the President know? Did not Mr. Churchill know the kind of a nation we were dealing with? Did he not know how they were thinking,

and that they had completely abandoned all the principles of the Atlantic Charter? Then why were we not told the truth? One of the reasons why I have been skeptical of this whole situation is that we were not told the truth in those days. We were not told that Russia could not be trusted, that she was not a peace-loving nation, that she did not subscribe, in practice and effect, to the principles of the Atlantic Charter. But we invited her, we did everything we could, we even bribed her to come to San Francisco, and there enter into the United Nations Organization. We permitted her to have extra votes. We did everything we could—and when I say "we" I refer to those on the inside conducting the foreign affairs, who knew what kind of a nation they were dealing with, or had occasion to know. We invited Russia in, and framed the organization. I am not criticizing the men who were there and did the splendid job of working out the organization, and getting the Charter ratified by the delegates, after bringing them into agreement. But the leaders knew the conditions; the State Department knew. President Roosevelt had passed on in the meantime. President Roosevelt thought he could bring them into line, as he told Mr. Bullitt, who published the story in *Life* magazine a year ago. He said he thought he could give them everything they wanted during the war, and later they would come into the new organization and work for peace. We took them in, and from that moment on we have had our troubles. We have had troubles which have gradually culminated in the grave crisis of today.

Mr. President, after the armistice, the American people demanded that the boys be brought home. That was only natural. They wanted them back. They were told we were now setting up an organization that would bring about and preserve peace. We were told in effect that it would be safe to bring the boys home. Relying upon that, they were brought home. The administration in power did not tell the people the truth; it did not have the courage to say, "With what we know, it is not safe to bring these boys home. We will not get a treaty with Russia and the satellite nations unless we have a force there." We brought the boys home and left a vacuum, and the Russians proceeded to march in as far as they could. Ever since that time we have been trying to regain what we abandoned. I have pointed out the part England played in the abandonment of the Atlantic Charter. But she is in the United Nations, and I think is attempting to live up to all the principles of that organization.

Then we came along with the Marshall plan. The Marshall program provided certain things which were to be done by the nations we were helping. They were to cooperate in promoting trade relations, interchange of goods and services, leading finally to a common currency between the 16 nations participating in Europe. But we now find we are running into difficulty. The national necessity overcame the promise for the general good again, and we found Great Britain in such a condition that we had

to apply some pressure recently to get her to agree to certain arrangements which had to do with the spreading of credits by making her money available to others.

Whether or not the present crisis is a manufactured one, used for the purpose of putting pressure on us to do away with that agreement, or to get us to be easier with her, or whether it is to stir up interest in a greater appropriation for ECA funds, I do not know. At any rate, we now have another example of a nation doing whatever is necessary for their national existence.

In addition to that, notwithstanding we were trying to bring about a condition under which world trade would be open and free to the nations, with no monopolies, no cartels, nothing of that kind, we find Great Britain, although she is one of our principal allies in the North Atlantic Treaty, under the spur of necessity, going to South America and making an agreement with Argentina. We can go on and find that time and time again throughout history, nations, when they get to the point where they think they no longer need an alliance, abandon it.

Now, after all that, we come to the North Atlantic Pact. It has been said of all these organizations that they were our last best chance for peace. I quote from the President of the United States in a message on the United Nations Charter. This is only a sample, but it is a good one of the position which has been taken from time to time:

The choice before the Senate is now clear. The choice is not between this Charter and something else. It is between this Charter and no charter at all.

Improvements will come in the future as the United Nations gain experience with the machinery and methods they have set up. For this is not a static treaty. It can be improved—and, as the years go by, it will be—just as our own Constitution has been improved.

This Charter points down the only road to enduring peace. There is no other. Let us not hesitate to join hands with the peace-loving peoples of the earth and start down that road—with firm resolve that we can and will reach our goal.

I urge ratification. I urge prompt ratification.

Mr. President, there were numerous declarations in the Senate largely to the same effect. That has been said as to each of the organizations which have been set up, that each one of them was our last best chance for peace.

We now know that the United Nations is not succeeding, and the best evidence in the world of that fact is the proposal for the North Atlantic Treaty.

Why has not the United Nations been successful? Has it been because of the veto provision? Some have made that point. They have said, "Oh, if only we can change the mechanism so there cannot be any veto, then everything will be all right, and we can work together successfully."

Mr. President, I think we should consider that situation very seriously. In the first place, the probabilities are that the United States would not be in the United Nations if there were not a veto provision in the Charter, because under the Constitution of our country we have

never trusted to the majority vote or a two-thirds vote of a group of nations, in matters which were of great importance to the United States, to make a decision respecting them. So probably the Charter never would have been ratified by the Senate of the United States had not the veto provision remained in it. Suppose the veto provision was not contained in the charter; suppose a decision was made by the United Nations that, for instance, Russia was bringing about conditions, or had brought into existence conditions which would endanger the peace of the world, such as what she has done with respect to Poland, or what she has done by way of making certain moves in other directions; assume the Council or the Assembly, whichever one had the power, without the veto, were to make a decision that Russia must abandon certain territory, must cease and desist from what she was doing, Russia would simply say, "Well, you have made that decision. Now what are you going to do about it? We disagree with the decision."

We have a police force. We have armies. Assume the police force, and the armies are now ordered to enforce the decree of the United Nations. We all know what would then happen. We would have civil war within the United Nations. There would then be in prospect the same kind of war we now have in prospect.

Mr. President, the North Atlantic Treaty points up the fact that we have a complete split, and that two factions, the east and the west, are now sparring for position, ready for the next struggle, unless they can find some way of getting together. We cannot give in to Russia. We cannot accept her ideology. We cannot accept her program in any sense of the word. It is contrary to everything in which we believe. Russia will not accept ours. So we meet head-on in a clash.

The proposal we now have before us is to ratify the North Atlantic Treaty. It is contended that it will be the greatest deterrent to war ever devised. That is a catch phrase. I should like to go along with all the slogans that seem so interesting and promise so much but, from observation, we have found result in so little.

Mr. President, I do not want to make a mistake by condemning or approving any organization that gives any promise of being the greatest deterrent to war ever devised. But I submit that in the world as it now exists, and as it has existed over the centuries, any organization which has had force as its weapon to bring about peace has never been able to bring about a permanent peace, and has been able to continue only for a short time under a condition of comparative peace, and then it has met in a head-on clash with those believing otherwise, and then we have had wars.

We must have in such an organization those who are converted to the rights of men, who, in other words, believe in the Christian philosophy and the Christian way of life. In my opinion the United Nations has failed to accomplish its major purpose because it was not made up of nations all of whom believed in the

Christian philosophy and the Christian way of life.

Peace cannot be forced upon peoples. Peace cannot be forced upon the individual. Peace for the individual comes from within himself. Peace comes about through recognition of the rights of humanity as exemplified by the teachings of Jesus of Nazareth. Until we come to the time when the majority of the people of the world are converted to that form of life and believe in that way of life and insist upon that way of life we will never have universal peace. Force can never bring it about. Force may for a time postpone war; but in the end, as the Master said, "For all they that take the sword shall perish with the sword."

Mr. President, I have outlined some of the situations we now face, and the reasons why we are not making progress for peace. Russia is a member of the United Nations. We now find that she should never have been a member. I have a strong feeling within my heart that the men and women who sat together at San Francisco and framed the Charter of the United Nations would, had they known the full truth, have said, "No; the United Nations can never succeed with that group in it, because they have violated all their agreements in the past. They do not have the high objectives we have, and by their past records we know that with them as members there will be nothing but disappointment and disillusionment if we take them in as members of the United Nations."

In the meantime the United States had brought home her troops. We had demobilized. Russia had not. Then we faced an impossible situation in Europe and other parts of the world.

There are some other observations which probably should be made in connection with that general situation. By reason of failure of our diplomacy we ran into the Berlin blockade. I am not now speaking in a critical sense nor am I blaming anyone personally, but we overlooked doing some of the things we should have done. We permitted the Russians to take over the city of Berlin, although we had certain rights there. So we finally had no way of getting into Berlin or out of Berlin. That is a situation which is well known to the world.

What we do not seem to realize is the strategy Russia has been using. When she enforced the Berlin blockade—and I believe some military men will bear me out in my statement—she was probably creating a holding situation there to divert our attention from what she was doing by way of infiltration and by extension of what she had been given through the Yalta agreement in China and in other parts of Asia. While our attention was centered in Berlin, we withdrew help from China, which we had promised her, and by our futile attempts to bring the Communists into the Chinese Government we rendered Chiang Kai-shek impotent to defend his country. Meanwhile, we sat here watching the Berlin blockade. Russia maneuvered us into this position and eventually carried out her purpose in Asia and in the East, and has now put us in a position

more desperate than we have been in during many years of our history.

I want to take up now some of the phases of the treaty. I do not propose to enter into a technical discussion of it, but I wish to speak of one or two of the phases which I think deserve critical analysis by this body. With the general objectives of the treaty no one can disagree. I mean by that, no one can disagree with the high principles behind the treaty. I distinguished between them and the methods which are outlined in the treaty for carrying out its provisions.

I read from the committee report:

The primary objective of the treaty is to contribute to the maintenance of peace by making clear the determination of the parties collectively to resist armed attack upon any of them.

It is designed to strengthen the system of law based upon the purposes and principles of the United Nations. It should go far to remove any uncertainty which might mislead potential aggressors as to the determination of the parties fully to carry out their obligations under the Charter and collectively to resist an armed attack.

We might go on and read all of the general objectives, and say we agree with them.

Then we come to article 2. I directed a number of questions to witnesses who appeared before the Committee on Foreign Relations respecting this particular article.

The article reads:

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

What I particularly desired to know was whether or not this bound us to any particular type of economic policy, whether it meant the abandonment of any tariff policies, or whether it meant that we had to join the International Trade Organization. The senior Senator from Michigan [Mr. VANDENBERG] interprets this particular article to mean that we are not bound to do any of those things, to make any of those abandonments, or in any way to order our economic life. I am inclined to agree with his interpretation. After having done so, I wonder why the article is in the treaty, if it does not mean anything. I asked a number of witnesses, including Mr. Lovett, the Under Secretary of State who helped to negotiate the treaty, what it meant, and he could not point to any specific thing that it meant. I believe other Senators questioned other witnesses. Out of it all we did not get a clear picture of what the article meant. It certainly means something. There must have been some purpose in putting it in the treaty. It says:

They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

That is a rather broad power in an agreement. It is not specific at all. It



may mean one thing or it may mean something else. When the treaty becomes the law of the land, if it does, the President of the United States will have to do the best he can in interpreting just what that article means. If it does not mean any kind of interference—and that is what the Foreign Relations Committee now says—then it seems to me it is meaningless, and has no real purpose in the treaty. Personally I think it should be stricken out, and I intend to offer an amendment to strike article 2 from the treaty. If any Senator has an idea what it means, or what it seeks to accomplish in the way of a specific program, he should come forward with it. Otherwise the article is unjustified. I see no reason why any agreement of such importance should have in it such broad powers without having them more or less defined.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WHERRY. Is it the Senator's request that he not be interrupted?

Mr. WATKINS. I do not mind. I have been wandering somewhat.

Mr. WHERRY. I am very much interested in the point which the Senator is discussing. Could this article refer to the mutual aid which is to be received by the various countries? Could it mean the elimination of economic barriers?

Mr. WATKINS. Referring to another article in the treaty?

Mr. WHERRY. No; article 2.

Mr. WATKINS. Article 2 says:

They will seek to eliminate conflicts in their international economic policies—

Mr. WHERRY. Yes.

Mr. WATKINS. The Senator is speaking of mutual aid, which comes in another article.

Mr. WHERRY. I am speaking about conflict in their international economic policies. I am thinking of the countries under ECA attempting, if they carry out the purposes of ECA, not only to eliminate trade barriers to international trade between other countries and themselves but eliminating all the obstacles to the development of a free flow of trade among themselves. Is there any relationship between that thought and article 2?

Mr. WATKINS. Does the Senator mean by that the parties to the treaty would seek to build up a situation in which they would profit at the expense of nations outside the treaty? Is that the thought which the Senator has in mind?

Mr. WHERRY. I am asking if there is any connection. I do not know. The Senator has given a great deal of thought to the subject. He says that article 2 is meaningless. I wonder if there is not some reason for the article. Could that be one reason?

Mr. WATKINS. I might give the Senator the benefit of an off-the-record observation, without naming the person who gave me the idea. It has been stated that the principal reason for putting article 2 in the treaty was to tie it in with the United Nations, to be a little more certain that the pact would be a part of the United Nations Organization. As I understand, article 2 is largely a repetition of language in the United

Nations Charter. But, as the Senator from Missouri [Mr. DONNELL] pointed out yesterday, it goes further than the pledge or the language of the United Nations Charter. It seems to me that it is open to a great many interpretations, depending upon the point of view of the President or the Secretary of State who happened to be in office at the time the article came up for interpretation. That is the reason why I gave the question some attention. I wanted to find out exactly what the proponents of the treaty had in mind, what situation they wanted to correct, specifically, and not in general terms. I could not find out. When there is something in a contract with respect to which no one knows the purpose, or something which merely states general platitudes, the best thing to do is to take it out of the contract. Unless there is some definite purpose in it, or unless it can be tied to something, we should get rid of it. That is why I believe that an amendment striking article 2 from the treaty should prevail.

We come next to article 3, which is causing considerable discussion at the present time. I understand that many Members of the Senate have in mind that the interpretation of this article may determine their vote on the treaty. Many of them feel that implementation of the treaty at this time would be beyond the ability of the United States to carry out, that it would be too big a load, and for that reason it should not be adopted, if there is any pledge in that article which would bind the Congress to implement it. Let me read it, so that it may be in the RECORD:

In order more effectively to achieve the objectives of this treaty, the parties separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

We have heard the words of the distinguished chairman of the Foreign Relations Committee [Mr. CONNALLY], and of the equally distinguished Senator from Michigan [Mr. VANDENBERG], to the effect that there is no particular binding power or commitment in that article which would mean that a vote for the pact would bind or commit any Senator to a position in which he could not use his free will.

Let me refer to the testimony, which was referred to yesterday in a general way. I invite attention to the statement of Mr. Acheson, when this point was presented to him. When he was testifying before the Foreign Relations Committee, the following occurred:

The CHAIRMAN. There is some argument and debate as to whether or not a vote for the treaty carries with it any obligation or duty to vote for the arms program at a later date. Is there anything in the treaty itself that binds the United States even to adopt the military program? I mean explicitly. The general phrase "mutual self-help" is that upon which I suppose they base their argument.

Secretary ACHESON. Yes, sir. That question is one which it would be pleasant if one could answer "Yes" or "No." I think it requires a very clear understanding.

There is something in the treaty which requires each Member of the Senate, if you ratify this treaty, when he comes to vote on

the military assistance program, to exercise his judgment less freely than he would have exercised it if it had not been for this treaty. No Member of the Senate, after the treaty is ratified, in exercising his judgment, can properly say to himself, "I do not believe in the principle of mutual assistance. I think that principle is silly and I will put it out of my mind." That should not be done, because by ratifying this treaty you accept that principle, and that principle exists.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. WHERRY. I have noted the colloquy which the Senator has pointed out. On page 27 the chairman of the Foreign Relations Committee, the senior Senator from Texas [Mr. CONNALLY] made the following statement:

I do not want to labor the point, but I wanted the record to show that I do not quite go with you that far. I think, after all, it is a matter of judgment and conscientious conviction of each particular Senator casting his vote.

Secretary Acheson replied:

Of course, Senator CONNALLY, that is right. It is not my function or place to be stating what should move Senators in their votes. I was trying to respond to questions in a responsive way, and to give what I thought was the intellectual relation between this treaty and some other proposal. Obviously I think I have made it very clear that there is no obligation on anybody to vote for the forthcoming proposal on the arms program because he votes for this treaty.

That is a statement by Secretary Acheson.

Mr. WATKINS. All I can do is quote Acheson against Acheson.

Mr. WHERRY. I simply wish to point it out to the distinguished Senator, because I am one of the Senators who are having trouble with this one point. We have here not only the testimony of the Secretary of State but the unequivocal statement of the chairman of the committee and of the ranking minority member of the committee, as I understand them—and I should like to be corrected if I am in error in this matter—that if a Senator votes for the pact, he will not be under obligation to vote for implementation of the pact by means of supplying arms.

If that is not the correct interpretation, I should like to have the chairman of the committee or the ranking minority member of the committee correct me, because it is on this point, at least, that I am bothered considerably.

Certainly the Secretary of State very unequivocally states, following that testimony, that there is no obligation upon a Senator who votes for the pact to vote for arms implementation legislation.

After all, in connection with the interpretation of legislation which is enacted, it is always customary to read the CONGRESSIONAL RECORD to see what the chairman of the committee and the ranking minority member of the committee said about it, because that is the way to arrive at the legal interpretation of legislation that is enacted.

Mr. WATKINS. Let me say that the treaty is the work of the State Department and of the similar departments of the other 11 governments. The treaty is not the work of the Senate Foreign

Relations Committee—with all due respect to our Foreign Relations Committee, which, of course, has been consulted regarding the treaty. Nevertheless it is important to realize that in this case we have the statement of Mr. Acheson and then apparently a contradictory statement by Mr. Acheson, and then we have the conduct of the parties to the treaty. Of course, one of the best ways to find out what something means is to find out how the parties connected with it act.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Utah yield to the Senator from Nebraska?

Mr. WATKINS. I yield.

Mr. WHERRY. I deeply appreciate the Senator's courtesy.

As I understand the matter, the State Department formulates treaties, and they are then submitted to the Senate for ratification. So there is nothing unusual in having the treaty drafted by the Department from which it comes to the Senate.

What I am interested in is how the treaty will be administered and who will administer it. One of those who will be responsible for its administration is Mr. Acheson. When the Secretary of State said, in effect, "Here is a question which I should like to answer 'Yes' or 'No,'" I wish he had answered "Yes" or "No"; but he did not do just that, for he continued and stated that there is a limitation, and that if a Senator votes for the pact he will not be free to give such subsequent questions the consideration which otherwise they might be given. But later the Secretary of State made the positive statement that a Senator can vote for the pact and not be obligated, either morally, legally, or otherwise, to vote for the arms implementation legislation.

That point interests me very much. I appreciate greatly the address the distinguished Senator from Utah has presented to the Senate today. He is one of our very able lawyers, and he has given this matter a great deal of attention.

The final remark he made was that in this connection we must take the whole situation into view, the way the witnesses testified, their conduct, and so forth and so on.

Mr. WATKINS. I go further than that; I am considering the conduct of the other parties to the contract, the European nations and their representatives who were here in Washington. I also consider the conduct of the Secretary of State himself. I consider how all of them acted with respect to that particular matter and difficulty just as soon as the treaty had been signed. I wish to call attention to that.

Mr. WHERRY. Does the Senator from Utah have other observations on that point which he expects to present to the Senate?

Mr. WATKINS. I wish to make this observation now: The treaty had just been signed when the men who were in Washington, representing the other parties to the compact, had a complete pro-

gram for military assistance and had already presented their requests. In that connection, they had stated what they needed, and apparently there had been an understanding about it. As I recall, articles in the press stated that Mr. Acheson had said the State Department had not made a commitment, because it could not commit the United States to any program, but that the State Department had made an agreement, in effect, with the representatives of the other nations to present to the Congress what they wanted. That was how they acted under the treaty. Mutual aid means help, and they had come to the United States to get help. They were in need of help. That was one of the reasons for the treaty. Their defenseless position in Europe is one of the real needs for the treaty.

When we vote for the treaty, thus saying that we agree to give them mutual aid, they will expect to receive it, and we shall be the ones who will give it.

Immediately after the treaty was signed, the Secretary of State and the representatives of the other parties to the treaty got together, and at that meeting the Secretary of State was urged to present an aid program to the Congress, although he then said that he could not commit the Congress as to the amount of aid that would be supplied. Nevertheless, the position is taken that once we ratify the treaty, we are committed to give them aid. How much aid and when and where it is to be given will be questions to be left to us to determine; but I take it that, if the treaty is ratified, we shall be committed to give aid to the European countries that are parties to the contract, although the exact amount of the aid and the other details will be left to us to determine.

Mr. WHERRY. Mr. President, will the Senator yield at this point?

Mr. WATKINS. I yield.

Mr. WHERRY. I appreciate the Senator's answers, and I am trying to clarify this matter.

Mr. WATKINS. I should also like to point out how someone else looked at this matter while it was going on. I do not say that I agree with the observations carried in the newspapers, but the following editorial, which I shall read, in part, appeared in the Christian Science Monitor of April 28, 1949:

The administration has made a major decision in the treaty fight.

It has decided that it is better to face a larger degree of possible opposition and make the obligations of the unprecedented world commitment plain than to get the measure through the Senate with a minimum of opposition without letting the public know exactly what it is in for.

This decision accounts for the frankness and explicitness of Secretary of State Dean Acheson's testimony of April 27, which made both Senator TOM CONNALLY, Democrat, of Texas, and Senator ARTHUR H. VANDENBERG, Republican, of Michigan, visibly squirm. They are the men responsible for piloting the measure through the Senate. In the view of Senator CONNALLY, at any rate, who is chairman of the Senate Foreign Relations Committee, it would have been just as well to leave the sharp edges of the treaty blurred and the moral commitment to supply force, if necessary, fuzzy.

That is what that newspaper had to say about the matter. That newspaper had its trained observers there.

I think it was somewhat of a surprise; but the administration has never backed down for one moment from the claim that we are committed, except for that one contradictory statement—and I think it is contradictory.

So the original statement of the Secretary of State is contradicted. His conduct actually contradicts what he said, and the action of the representatives of the other 11 nations to the pact contradicts what he said.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. WATKINS. I yield.

Mr. WHERRY. Yesterday the Senator from Vermont [Mr. FLANDERS] used as a comparison a "Do not enter" sign placed in a street. I asked the Senator from Vermont what happens when a person comes to a "Do not enter" sign. He said that of course I would know the answer, and that it is necessary to resist with whatever force is required.

Here is my question: In view of the observations the Senator from Utah has made, does he mean that it is his interpretation that if a Senator votes for the pact the force must be forthcoming before the "Do not enter" sign is reached; or does the Senator mean that the force will come afterward? I mean, are we obligated now to produce forthwith, upon the ratification of the pact, the necessary force, or can we wait and decide after the "Do not enter" sign has been violated what force is necessary?

Mr. WATKINS. I may say the whole theory of the treaty was eloquently expressed by the Senator from Michigan and by witnesses who appeared on behalf of the Government. The whole thesis of the treaty, the purpose of the treaty, is to have an irresistible force, an overwhelming force ready at the moment an attack comes. I submit that cannot be done afterwards, it has got to be there when someone gets ready to go into the do-not-enter territory. So there cannot be any possibility of doubt about that. It has been emphasized time and time again by the witnesses, although they have said at the same time, almost in the same breath, that there is no commitment.

Mr. WHERRY. Does Secretary Acheson commit us to that policy? I did not attend the meetings of the committee. I have gone through the reports pretty thoroughly, and I am merely using that illustration again, because I have been led to believe that the resistance can come after the attack is made, and the Congress will have full authority to determine what force is needed and when it shall be made available. If the interpretation of the distinguished Senator from Utah is that the minute we sign the pact it becomes our duty to provide a force which may then be necessary to resist an attack, it certainly looks to me as if the arms-implementation feature is inseparably connected with the pact itself.

Mr. WATKINS. The Department of State, I think, understood that it was inseparably connected, and they were



ready to present it to the Senate at the same time the treaty was presented.

Mr. WHERRY. Is that in the evidence?

Mr. WATKINS. It was in the press, of which I think the Senator has taken notice.

Mr. WHERRY. I have seen it in the press.

Mr. WATKINS. It was asserted that there was a warm discussion between the Chairman of the Foreign Relations Committee and the Secretary of State, or the Under Secretary, as to whether the request should be presented at that time. There was some resentment, so the press said, on the part of the chairman of the Foreign Relations Committee, when they insisted it ought to be presented. I cannot for the life of me see how the treaty is any good unless it makes some commitment. Otherwise it will not have any teeth in it, and it will be idle to say we are going to stop a war or prevent an irresistible attack. If we are not going to get ready for such a contingency, what are all these defensive measures for? If when we vote for this program we must take into consideration an interpretation of all the surrounding circumstances and discuss every phase and every section of the treaty, it seems to me the conclusion is irresistible that there is a commitment, and when I vote for the treaty, if I should vote for it, I feel that I am obligated to do something to help the other parties to it. I am not going to give them a stone when they ask for bread.

Mr. DONNELL and Mr. MALONE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. WATKINS. I yield first to the Senator from Missouri.

Mr. DONNELL. I do not want to take precedence over the Senator from Nevada, but it occurs to me at this moment that, in addition to the points the Senator from Nebraska has made, the expression of the Secretary of State, which has been so well indicated this afternoon by the Senator from Utah, coupled with the very grave effort on the part of the Secretary of State constantly to differentiate between the obligations under the treaty and the obligations with respect to military implementation, it is perfectly clear, as I see it, that there is a carefully designed—I am not saying it is dishonest, by any means—a carefully thought-out policy of using language which will endeavor to differentiate the two; and yet in the document from which I quoted yesterday, Foreign Affairs Outlines Building the Peace, prepared by the Department of State, No. 22, issued in May 1949, no human being, in my judgment, can read it without coming to the conclusion that, with all this care of differentiation made by the Department of State, they are, in effect, treating the North Atlantic Pact and the military implementation as practically inseparable. If the Senator from Utah will permit me, by unanimous consent, I should like to read just a few words from the document.

Mr. WATKINS. I yield.

Mr. DONNELL. In this document the Department of State says:

As of now, the inadequate defenses of western Europe invite military aggression, and increasing prosperity makes it a prize all the more tempting.

Then, Mr. President, listen to this:

Not until we—

"We" means the United States—

Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war.

We are told that this treaty is the greatest deterrent to war that can possibly be devised, and yet the Department of State says, "Not until we"—note the time element there—"Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war."

It then continues:

The North Atlantic Pact is an agreement on the policy of a common defense; its very vital—

What does the word "vital" mean? It means life giving, does it not?—

its very vital corollary is a program of military aid.

In other words, despite the carefully guarded language of the Department of State, or of the Secretary of State, in one breath saying what he did earlier, and in another breath very carefully pointing out that there is no obligation, he does realize, as he must realize, that there is no such freedom on the part of Congress, after the treaty is executed, as existed before.

The Department of State says:

Its very vital—

That is to say, Mr. President, life-giving, the thing that gives life to the treaty, makes it not merely a dead instrument—

Its very vital—

And I underscore "vital"—

Its very vital corollary is a program of military aid.

Mr. President, I mentioned yesterday what a corollary is. It is defined in the dictionary. I hope it is not too old-fashioned merely to mention the dictionary once in a while. It is a proposition following so obviously from another that it requires little or no demonstration. This vital proposition, the one that gives life to the treaty, without which the treaty has no life, is the proposition of military implementation.

Now, Mr. President, and I ask the Senator's pardon for imposing so much upon his good nature—

Mr. WATKINS. That is all right.

Mr. DONNELL. But may I call attention, in corroboration of the earlier statement made by the Secretary of State, when he responded promptly and without the opportunity for further thought, as to the clear and definite demarcation and discrimination which is so carefully preserved—in corroboration of his earlier thought, this document which I hold in my hand itself indicates most clearly, as I tried to point out yesterday, this obli-

gation. I shall take only this one moment of the time of the Senator further. In this document he says:

Article 3 does not obligate the United States to provide any definite—

Why is the word "definite" used?—

to provide any definite amount of military assistance or to make any specific contribution.

The very fact that the word "definite" is used, the very fact that the word "specific" is used, is in itself proof that the Department of State considered article 3 as obligating the United States to do something, otherwise there would have been no need for using those words. He could have said, "Article 3 does not obligate the United States to provide any amount of military assistance or to make any contribution." But no; what he said, and that is as far as he goes, is that article 3 does not obligate the United States to provide any definite amount or make any specific contribution.

Why, of course, it does not. That is for Congress to decide. Then what does the Department of State say in this document?

It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual-aid principle.

Does that express any doubt that it is our obligation to contribute something? He states, obviously that we are obligated to contribute something, and it will be seen in the next sentence what he has in mind as the most effective thing to contribute. He says only that it is left open to us to decide at the time what the amount is, what the specific sum or the specific amount is. Continuing, after what I have read, the Department of State says:

It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense—

And that is the collective capacity for defense of the North Atlantic area—by what?—

by providing military assistance, and it is the recommendation of the executive branch that it should do so. It is also the opinion of the executive branch that the provision of assistance will become a powerful factor for assuring success on the aims of the pact.

Mr. President, obviously those who designed the pact wanted it to be successful. Obviously they wanted it to have some life, to be vital. But the Department of State says that the very vital corollary, a proposition that follows so obviously from another that it requires little or no demonstration, is a program of mutual aid, and the statement of the Department is that the pact obligates the United States, as it obligates every other party to the pact, to adhere to the principle of mutual aid. Then there follows the opinion of the executive branch as to the best method of contributing to the principle of implementation. The Department of State says that the pact

obligates the United States to exercise its own honest judgment, in what?—

In contributing what it most effectively can—

It does not say what, if anything—

In contributing what it most effectively can to implement the mutual-aid principle.

Then it expresses the opinion of the executive branch that military aid is the most effective method.

To my mind, all this careful linguistic attempt to differentiate between the pact on the one hand and military operation on the other is thrown out the window.

This interpretation by the Secretary of State is precisely what he said and what the Senator from Utah read at the outset, when the Secretary of State involuntarily, so to speak, responded and said:

Of course, we are under some obligation which we were not under before.

He speaks of individual and collective capacity to resist. To resist what? Armed attack? How are we to resist armed attack without some military contribution? If there ever was a treaty which obligated us to contribute what we honestly and reasonably think best, and imposes an obligation on us to contribute military assistance—I say if there ever was such a treaty, this one is the one.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of the remarks of the Senator from Utah [Mr. WATKINS] the entire Document No. 22, prepared by the Department of State and promulgated in May, 1949. I ask that it be set forth in full.

The PRESIDING OFFICER (Mr. STENIS in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. WATKINS. Mr. President, it would seem to me that if Mr. Acheson is correct in his contradictory statement there is no obligation on the Congress to give mutual aid and assistance. I have already asked that the article should be stricken if it does not mean anything. If it is not an obligation, let us take it out, because it may cause trouble later on. We will find out, whether it means anything or not, if a motion is made to eliminate it. There will be strong opposition to such action. The whole theory of the treaty is that we need all the help in the present circumstances of the world that those nations can give us. The situation now is that they cannot give us very much. We are not over there asking for help; they are here asking us for help. Secretary Johnson and Gen. Omar Bradley told us about the amount of money involved. The two subjects had always been considered together, until someone got the idea that it was the wrong strategy to bring the pact in with an arms implementation. Then it was considered that the two were not related, not on speaking terms.

#### PLEDGING ARMS WITH THE PACT

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. MALONE. I should like to ask the distinguished junior Senator from Utah, in view of the fact that we have listened for several days to the vehement denials that there is involved an obligation to furnish arms, if there is anything in the pact which prevents us from furnishing arms to Europe?

Mr. WATKINS. Anything in the pact which will prevent our furnishing arms? Did I correctly understand the Senator?

Mr. MALONE. Yes.

Mr. WATKINS. If there is, it is very carefully concealed. On the contrary, it is all the other way.

Mr. MALONE. It has seemed to me that the gentlemen protest too much; however, I should like to ask the distinguished Senator another question, if he will yield further.

Mr. WATKINS. I yield.

Mr. MALONE. Is the distinguished junior Senator from Utah familiar with the fact that in 1942 England made a nonaggression pact with Russia, signed by Anthony Eden, representing Great Britain, and by Molotov, representing Russia, and that in 1944 an almost identical pact was signed by Molotov and a representative of France? These pacts contain almost identical language, in some respects, as is contained in the North Atlantic Treaty which the Senate is being asked to ratify and were signed in Russia. I shall read the language, first, and then ask the junior Senator from Utah a question:

Article 6 contains this language:

The High Contracting Parties agree to render one another all possible economic assistance after the war.

This was during World War II.

Article 7, in unequivocal language, provides that each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

Almost identical language is included in both the nonaggression pacts which England and France have separately made with Russia, and each of those nonaggression pacts has the same time to run as has the North Atlantic Pact, beginning a few years earlier, however. They run for 20 years, and at the expiration of 20 years it requires 12 months to get out from under the obligation.

Article 2 of the North Atlantic Pact provides as follows:

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

If we are to encourage economic collaboration between England, France, and the United States—I suppose that is what it means—and they have already agreed not to enter into any alliance, and not to take part in any coalition directed against the other high contracting parties, and in view of the fact that we have

listened for 3 or 4 days to the distinguished chairman of the Foreign Relations Committee and to the distinguished senior Senator from Michigan, who represents the minority party on that committee, all the language being directed against Russia, saying specifically that we are forming this coalition to beat down any attempt on the part of Russia to dominate Europe or any other part of the world, how does the Senator from Utah reconcile the record of nonaggression signed with Russia and the statements of the pact adherents?

Mr. WATKINS. If the Senator will pardon the suggestion, is not more diplomatic language used, by saying "any aggressor," without identifying any other nation than Russia?

Mr. MALONE. I am using mountain language, which is the only language I understand. That is the language on which I was brought up, and it is not double talk. I think the Senator from Utah can understand it also. Of course, it is nonsense for anyone to allege that they do not understand that when we approve the pact that we are not also approving arms shipments to go with it.

Mr. WATKINS. But "any aggressor" is the language used, and it was necessary to think for a long time before they could think of any other nation than Russia. Germany might rise again despite the chains placed on her. That is the only possibility they can think of.

Mr. MALONE. I wish to ask the junior Senator from Utah, who is making a very fine, well-thought-out, and serious address on the subject before the Senate, which should be listened to by every Senator, how he reconciles the two nonaggression pacts between France, England, and Russia—and the North Atlantic Pact with us, calling for practically the same cooperation with both Russia and the United States. They are on both sides, so it is difficult to see how they can lose on economic assistance.

Mr. WATKINS. I have had difficulty. That was one of the questions I asked which has never been answered satisfactorily. I think I placed in the RECORD copies of the alliance between Great Britain and Russia and the alliance between France and Russia. I also put into the RECORD the trade agreements. I then asked, How can these nations, having signed such treaties, go into a pact of the kind we are now considering?

Mr. MALONE. I think the Senator's answer is very satisfactory.

Mr. WATKINS. The answer from the Secretary of State was to the effect that Great Britain says there is no inconsistency, nothing in conflict with this treaty, and we cannot contradict, we cannot question the word of Great Britain, therefore it is all right. France says the same thing, and therefore it is said to be all right. I have called attention numerous times to the trade treaties, covering locomotives, railway steel that have been sent to Russia by Great Britain; motors, copper, and tin sent to Poland, a satellite of Russia. I called attention to that commerce, and it was stated that was just normal trade, that they have to trade, in spite of the fact that every one of those items sent by Great Britain was



a war article, which could be used in war or preparation for war.

None of the answers to the questions I have asked have been satisfactory. I think we must go beyond what these nations say. Do we treat all nations alike? We do not let Russia get away with tactics. We question everything she says. I have pointed out in my address today that time after time Great Britain has departed from her agreements, has failed to keep her understandings in the various alliances—Locarno, the League of Nations, the Atlantic Charter, and others. Time and time again, when her interests demanded, or she thought they demanded, that she depart from an agreement, she did so. So I think we should explore the situation, and the Committee on Foreign Relations should go behind the explanations.

Great Britain says there is no inconsistency, France says there is no inconsistency, therefore it is said the agreements are not inconsistent, and we cannot look into them, it would be an insult to those countries for us even to look into them.

Mr. MALONE. Mr. President—  
The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Utah yield to the Senator from Nevada?

Mr. WATKINS. I yield.

Mr. MALONE. As examples of the situation so ably outlined by the junior Senator from Utah, I might quote a couple of paragraphs from the Wall Street Journal of this morning, July 8. We are all familiar with the times, places, and conditions, but these paragraphs bring them to our minds again. I read:

Great Britain has formally requested the United States to release her from her 1946 promise not to discriminate against United States goods in world trade. This assurance was one condition for the \$3,750,000 United States loan to the United Kingdom.

Mr. President, that is not the first time they have reneged, I would say to the junior Senator from Utah. The first time is referred to in the same dispatch, and I read:

There's a precedent for the administration to seek tacit approval from lawmakers to waive provisions of the 1946 loan pact. Late in 1947, on the eve of the Marshall plan, the British were combating another in a series of dollar crises. The drain on her gold and dollars at that time was blamed partly on article 8 of the loan agreement. In this section, Great Britain agreed to make her pound sterling freely convertible into dollars on most current transactions a year after the agreement was ratified. After this clause became effective July 15, 1947, there was a rush by nations earning sterling to get this converted into dollars.

The British became alarmed then, just as they are today, about the loss of dollars and rushed to United States officials with the plea that the convertibility clause be waived. The NAC agreed that this was an "exceptional case" and Treasury Secretary Snyder went before congressional committees to explain the waiver was "temporary." Congress accepted the Snyder explanation without formal action.

That was 2 years ago. The provision is still being waived, and the British now want the equally important article 9 suspended. The new waiver is being dubbed "transitional" rather than "temporary."

I know without asking that the Senator from Utah is familiar with the 88 trade treaties which the ECA nations have made with Russia and the iron curtain countries since World War II, because I have heard him discuss them on this floor, and I have myself discussed them in the ECA debate starting March 30 of this year. An official of the State Department, after much urging I might say, brought the 88 trade treaties to my office; 45 of them he left with me, 3 of them were so confidential he held them in his hands while I was trying to read their provisions, 40 were so restricted that he could not leave them in the hands of a Senator. I would say between 20 and 30 percent of them were in foreign languages. But they provided just what the junior Senator from Utah says they do, for shipment of everything from locomotives, ball bearings, high-grade steel, electrical equipment, and about everything needed to wage war.

I ask the junior Senator from Utah if he is familiar with the fact, first, that Russia is disciplining Tito by forcing Poland to stop trading with Yugoslavia—that all of the iron curtain countries have ceased trading with Yugoslavia entirely?

Is the Senator familiar with the fact that we are simply furnishing world war III supplies to Russia, sending material and money to the 16 nations from which products are manufactured and processed and are immediately shipped to Russia and the iron curtain countries?

Is he familiar with the dispatch of yesterday calling attention to the fact that the United States is cut off from trade with Great Britain by an order of Mr. Cripps, that they are not allowed even to spend in the United States any of the money we send over there? Those are three things which seem to me incompatible, and I should like to have the Senator's reaction.

Mr. WATKINS. Mr. President, I have heard of them, and the Senator has refreshed my recollection. I have not thought out the answers to that situation, but it seems to me that if those circumstances are actually happening, if the actions of Great Britain are as reported, it only bears out what I have been calling attention to in a long series of questions, beginning with the Locarno agreement—

Mr. MALONE. And very ably, too, I might say.

Mr. WATKINS. All along the line, when Great Britain felt that necessity required her to depart from any agreement she had made, she violated the agreement. If what the Senator states is actually happening, it merely carries out the general policy of Great Britain in that respect. I would say that any other nation in similar circumstances would probably do the same. But that does not justify our Nation and other nations going into agreements with a nation knowing full well from its history that if necessity requires, or it thinks it does, it will violate every alliance it makes with any other nation.

Mr. MALONE. One of the points is that they are carrying out the nonaggression pact signed in 1942 with Russia

and helping her economically, and now they have stopped trading with us even before we approve the pending pact.

Mr. WATKINS. They claim they have to get food, and they are trading with Russia, sending locomotives and railway equipment, which is described in the agreement as "military supplies." That description was placed on the materials. We asked about that when we were debating the ECA and some of the other bills which had to do with foreign relief, and the answer was, "We don't know. We will look it up." We have never had a definite, satisfactory answer to those questions yet.

Mr. MALONE. I will ask the Senator if he is familiar with the Associated Press dispatch which has just been received from Russia or England; I am not entirely sure which—

Mr. WHERRY. From England.

Mr. MALONE. The Associated Press dispatch simply says that a further trade agreement has been concluded between England and Russia which will involve many millions of dollars. The story will be carried by the newspapers this afternoon. Yesterday, in my debate with Senator RALPH FLANDERS, I mentioned the fact that representatives of England were then in Russia for the purpose of making such an agreement, despite the fact representatives of all nations were meeting at Amiens, France, further reducing our own tariffs. Is the Senator familiar with the contents of that dispatch, which says that England is to send to Russia processed goods that she is largely to continue what she was doing under the trade treaty which I placed in the RECORD in March 1948, when the Marshall plan was still before us, under which agreement between England and Russia 11,000 locomotives, cranes, cars, and everything conceivable was included? Those goods were then being shipped. It was denied, however, on the Senate floor, by a supporter of the Marshall plan, that any loyal administrator would allow such a thing to be done and allow payments to continue to such nation. It has been continued, however. Is the Senator familiar with the fact that a further treaty has been concluded between the two nations?

Mr. WATKINS. I will say that I am not familiar with that fact. It is a very interesting development, if it turns out to be as the Senator says.

Mr. MALONE. The newspapers will carry the statement this afternoon.

Mr. DONNELL. The Senator is familiar, is he not, with recent reports respecting the British-Argentine pact, which was signed after the signature by Great Britain of the North Atlantic Treaty, in which Great Britain obligated herself to seek to encourage economic collaboration between all the signatories? The Senator is familiar with the pact recently signed by Britain and Argentina, is he not?

Mr. WATKINS. Yes; I am familiar with it, and I have already referred to it in my statement. Great Britain found it to be of advantage to her to sign such a pact with Argentina, and despite the

fact that she has signed the North Atlantic Treaty, she has entered into this pact with Argentina without so much as "by your leave."

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WHERRY. I was hopeful that the Senator from Nevada [Mr. MALONE] would bring out one of the provisions contained in the new secret agreement when he made his inquiry of the Senator from Utah. I now ask the Senator from Utah if he knows that one of the provisions contained in the agreement referred to in the Associated Press dispatch which has just come over the ticker—I do not know whether it is true or not—one of the provisions deals with the exchange of goods manufactured in Britain for 1,000,000 tons of cheap grains which Britain wants to secure from Russia rather than from the United States of America. I am very vitally interested in that point. I do not mean, however, to engage in this part of the discussion of the pact, because I am primarily interested in articles 3 and 5. But I did read the dispatch which came over the ticker, and which was referred to by the Senator from Nevada. The agreement referred to is certainly a new one. Dating back to the time of the investigation made by the Small Business Committee, we found that Britain was sending airplane motors to Russia for her airplanes. We made a protest. I believe the distinguished Senator will recall that. Similar things have been happening right along. Now comes a new secret agreement, as we find by the dispatch which came over the ticker this morning. Britain does not permit a dollar to be spent in the United States. However, in my opinion, Britain could exchange United States wheat for manufactured goods. That would be useful to her and useful to us.

Britain has made a new treaty with Russia. She has just entered into a treaty with Argentina. We are trying to stop Russia from infiltrating into the 12 countries in Europe which are signatories to the North Atlantic Treaty. That, however, is something not so vital, it seems to me, as is the question of arms.

I wish to ask the Senator if the question was raised during the hearings as to whether or not the Secretary would recommend to the Senate at this session of Congress arms-implementation legislation? I cannot find any such question raised, although I have looked through the hearings.

Mr. WATKINS. I do not recall that any question was asked him directly in that fashion, but I believe the press has contained stories to the effect that he is going to recommend such legislation, and has already communicated with the Foreign Relations Committee and outlined what he will ask for. The chairman of the Foreign Relations Committee can answer that question better than I can.

Mr. WHERRY. I read from the top of page 27 of the hearings earlier today. There it seemed to me the Secretary made a very frank statement, that we could vote for the pact and yet not be obligated or committed to enact any

arms-implementation legislation. But I believe that is something which must be definitely cleared up by the chairman of the Foreign Relations Committee and by the ranking member of that committee, the Senator from Michigan [Mr. VANDENBERG], at least to clarify my mind on the subject. If the North Atlantic Treaty is simply the declaration of a policy, of a sort of keep-off-the-grass policy, and that is all it is, I believe practically everyone can go along with such a declaration of policy and principle. But if the treaty involves an absolute commitment that we are to provide arms, and it is simply a matter of sequence that such legislation follow the ratification of the treaty, then the question before us is an entirely different one.

Mr. President, I believe a very frank statement should be made on that point. We should be told whether there is to be any implementation legislation brought to Congress, or whether the treaty simply involves the principle of "do not enter."

(At this point Mr. WATKINS yielded to Mr. McCARRAN to request the confirmation of certain nominations and debate ensued which appeared at the conclusion of Mr. WATKINS' speech.)

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. DONNELL. A few minutes ago the Chair very appropriately mentioned his desire that we observe the rules of parliamentary procedure. I think I should take upon myself the entire blame for the failure so to do. I believe I interrupted without asking the Senator from Utah to yield, and I very greatly regret the fact that I did so.

Mr. WATKINS. Mr. President, we seem to have reverted to the old custom in the Senate, which I think is a very good one.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. TAFT. I ask the Senator categorically the question whether, if this pact is adopted, he feels that we are morally obligated to go through with substantially the arms program which is proposed by the Department of State?

Mr. WATKINS. I answer "Yes."

Mr. TAFT. That is not the view, I take it, of the distinguished Senator from Michigan [Mr. VANDENBERG] as expressed day before yesterday. At least, I do not think it is. He said:

Frankly, I should have much less interest in this treaty if I thought its repressive influence for peace is measured by or dependent on any such implementation. It is not the military forces in being which measure the impact of this "knock out" admonition. In my view its invincible power for peace is the awesome fact that any aggressor upon the North Atlantic community knows in advance that from the very moment he launches his conquest he will forthwith face whatever cumulative opposition these united allies in their own wisdom deem necessary to beat him to his knees and to restore peace and security.

Does the Senator feel that even if the treaty itself is a deterrent, still under article 3, if we vote for the treaty we are obligated to provide military arms?

Mr. WATKINS. The thing that gives the treaty some force is the fact that we

are going to rearm other countries. The treaty provides for that very thing, in general language. It says that the parties will render mutual aid to carry out the purposes of the treaty.

Mr. TAFT. Frankly, I am absolutely opposed to providing arms for Europe. What interests me is the question whether it is possible for a Senator to vote for the treaty and then take the position that we are not obligated to provide arms.

Mr. WATKINS. I do not believe that any Senator can do so without stultifying himself. That is my candid view. If I vote for the treaty, I certainly will vote for the implementation, because I do not think it would amount to much without it, even on the theory which has been advanced, that it is an overwhelming force.

Mr. TAFT. The Senator disagrees with the Senator from Michigan, but he agrees with the statement of the State Department in the document referred to by the Senator from Missouri, in which it is said:

Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war.

I take it that what the State Department is saying is that this treaty is not a deterrent to war unless arms are added, to arm the nations of Europe. Is that the Senator's understanding of the position of the State Department?

Mr. WATKINS. Exactly. Otherwise there would be no sense in asking for the treaty. In the document entitled "Foreign Affairs Outlines—Building the Peace," prepared by the Department of State in the spring of 1949, it is stated:

The military assistance program to be presented to the Congress by President Truman outlines one of the most effective steps the United States can take at this time to preserve international peace and maintain its own security.

My point is, if the treaty itself, as the Senator from Michigan has argued, is a deterrent, and is sufficient, why go to the expense of rearming Europe? It seems to me to be nonsense.

Mr. TAFT. The words which I read from the publication of the State Department really seem to make the treaty an adjunct to the arms program, which they say should be undertaken regardless of the treaty, instead of making the arms program an adjunct to the treaty. Does the Senator agree with that analysis of the position of the State Department?

Mr. WATKINS. We have done a great many things for Europe under the ECA. Now, under this type of agreement, we can begin to funnel more help to Europe. The European nations may say, "We need money." That may be what we are to give them under this program, because money might be more effective than anything else under the present circumstances.

Mr. TAFT. Has the Senator any idea what the cost of the military operation may be, if it is involved in the treaty?

Mr. WATKINS. All I know is what has been presented through Mr. Johnson, the Secretary of Defense, and through Gen. Omar Bradley. In the



same document to which I have just called attention, we find the following:

In brief, these things will be recommended in the military-assistance program:

That all projects of United States military aid be brought together in one program.

That a single appropriation be made to cover the costs of the entire military-aid program (for the fiscal year 1950, these amounts would be about \$1,130,000,000 for the North Atlantic Pact countries and about \$320,000,000 for Greece and Turkey and certain other nations whose security is important to the United States, making a total of about \$1,450,000,000).

In quizzing Secretary Johnson and General Bradley on this subject, we have developed these facts: The \$1,130,000,000 is for the purpose of getting the material, the armament which we have in storage, in reserve, and as surplus, prepared and shipped to those countries. That does not cover the cost of the armament which we are to send. It is only for getting it over there, getting it ready, and putting it in shape to be used. The reconditioning of the equipment represents about 15 percent of the entire cost. The Senator inquired about the over-all cost. I have done a little calculating. Between 10 and 15 percent of that amount represents the value of the arms we are going to send. That would mean a total over-all cost of six or seven times that amount.

Mr. TAFT. That is only for the first year.

Mr. WATKINS. That is only for the first year.

Mr. TAFT. Let me read to the Senator this analysis from the same State Department document. I read from page 2:

The free countries of western Europe must be encouraged by our actions to continue their efforts toward recovery. They do not have the resources to develop adequate defense forces by their own efforts within a reasonable time. Their will to resist and their ability mutually to defend themselves must be strengthened. They must be encouraged and assisted to build up their defense forces through self-help and mutual aid—

Apparently that is interpreted to mean arms, under article 3 of the treaty—

to a point where aggression cannot take place, either through internal disorders inspired from outside sources or under the guise of border incidents.

Does not the Senator think it would cost billions of dollars to carry out any such program, to encourage and assist them to build their defense forces to the point where aggression cannot take place?

Mr. WATKINS. I understand that that is the purpose of the treaty. I think it would require billions to put them in that position. It is planned to send them billions, as a matter of fact. We are to be asked to put up \$1,130,000,000 in money appropriations. That is to be used to ship billions of dollars worth of armaments. If we are to have an overwhelming force to meet head-on any attempt by an aggressor, that force will have to be built, because it is not now in existence.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LODGE. As I understood the able Senator from Ohio, he referred solely to the building up of a force that could resist aggression in a very limited sense, either through internal disorders stimulated from outside or a border incident. I did not understand the Senator from Ohio to imply that there was any plan to build up such a force as could take on a major aggression from a great power.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. TAFT. Is not the Senator's impression of this entire document that we are committing ourselves to building up the defenses to a point where those nations would be absolutely able, without question, to resist aggression from Russia, for example?

Mr. WATKINS. That is my impression of this document. I think that was the purpose of the State Department in the beginning. It wanted to present this program as a part of the treaty. Then it ran into difficulty. Public sentiment apparently would not stand for that, so the Department was led by its advisers in the Senate to take another tack, another line of action. It was decided that "If we bring the two programs together, it cannot be done. We will divide them, and give them one dose at a time."

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. CAIN. If the Senator is correct in his assumption that a vote for the treaty is a commitment to vote for implementation of the treaty, can the Senator explain why the Senate is not presently discussing both subjects at the same time, in order that we might know what are to be the ultimate costs and commitments under the treaty?

Mr. WATKINS. I think it is a matter of strategy. I think the proponents of the treaty feel that they will have difficulty getting it ratified if they bring in with it the arms-implementation proposals which they originally intended to bring in with the treaty. So I think they have postponed presenting to the Senate the arms bill, which they agreed with the representatives of the other signatory countries they would present to the Congress. I understand that bill is on the way. The committee already has considered it, I understand.

I do not see how we can discuss this treaty and all it means, without discussing the arms implementation. That program necessarily grows out of the treaty and is a part of the general purpose of the treaty. I think it is idle to say that "We mean what we say and say what we mean" and yet not discuss the arms-implementation proposals.

Mr. CAIN. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. CAIN. If I correctly understood the Senator, he said that in his opinion the suggested initial cost to implement the treaty is something in excess of a billion dollars.

Mr. WATKINS. Yes; \$1,130,000,000.

Mr. CAIN. And I understood the Senator from Utah to say that that money

would be used to transport and distribute the surplus arms and materials now in this country.

As against that feeling on the part of the Senator from Utah, has he any observation to make with respect to the approximate cost of designing and constructing those armaments, over and above the cost of distributing and transporting them?

Mr. WATKINS. The program announced by General Bradley and, I think, by Secretary Johnson is, in effect—I cannot quote them exactly—that we intend to send to these countries armaments that now are in surplus and in reserve in the United States. As I recall, \$150,000,000 is proposed to be sent for raw materials which those countries can use, but the rest of the money is to be used to transport and ship the equipment which we already have.

I think the record will show that the figure mentioned represents approximately 10 or 15 percent of the original cost of the armaments. So, simply by multiplying, we can arrive at the total cost, for we know that \$1,130,000,000 is approximately 10 or 15 percent of the original cost. So we can figure what the total cost will be.

I have seen that statement published several times, and I have not heard of any statement by the Defense Department that those figures are not correct. In fact, I got that information from the committee hearings. It is in the record, and I can quote the exact language.

Mr. CAIN. I wish to be in a position to disagree with the Senator from Utah in his assumption that a vote for the treaty is a commitment to vote for an implementation of the treaty. I am strongly inclined to support the treaty, while reserving the right to be in complete opposition to the implementation.

I am grateful to the Senator for his observations in regard to what the State Department's proposed implementation will cost the American people.

Mr. WATKINS. I may say to the Senator—I do not wish to be personal about this matter—that for many years it was my work to interpret contracts. If this treaty does not make a commitment to provide military assistance, if it does not amount to almost a blank check, in a way, then I have never seen a contract or agreement that was a commitment. It seems to me there can be no doubt that this treaty is a commitment of that sort.

Of course, the chairman of the committee and the ranking minority member of the committee assure us that the treaty involves no commitment. Nevertheless, I wish to say that the committee did not draft the treaty. The treaty was drafted by our State Department and the representatives of the other participating nations. So I say that what they think the treaty means is of more importance than the opinion the committee has regarding the treaty.

Mr. CAIN. I have said that I should like to be able to find myself able to disagree with the position the distinguished Senator from Utah takes regarding this matter. However, I do not yet find myself in that position, and it is for that reason that I have been listening to the debate this afternoon.

Mr. WATKINS. Of course, the Senator is wholly within his rights in disagreeing with me.

I think the strategy used by the committee and those proposing or favoring the treaty was more or less wise. First, they intended to combine the treaty with the arms implementation legislation, but they found the reaction to that proposal was not so good. So they decided to present a little bit at a time.

But after the treaty is ratified, they will say, "Now we have joined the gang and have made the alliance, and now the other fellow is reacting. If we do not help our friends get ready, there will be a fight which we may not win."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CONNALLY. A moment ago the Senator from Utah referred to the Foreign Relations Committee, and I believe he said the committee did not write the treaty. Of course, Mr. President, the Foreign Relations Committee does not pretend to have written all the treaty, because 12 nations are signatory to the treaty and representatives of the 12 nations had to sign it.

But the Foreign Relations Committee did do this: We had the Secretary of State before us on two occasions, as I recall, and went over the entire matter. The committee did not have this draft of the treaty before it. The final draft was not the draft which was first submitted.

The Foreign Relations Committee was able to change the language of the treaty in many places. The State Department not only conferred with the full committee, but also with several of the ranking members of the committee, and conferred with them a number of times. In several respects, the language of the treaty was changed after the full committee meeting.

For instance, I point out, as an evidence of that fact, the language which provides that each of the parties to the treaty shall take "such action as it deems necessary".

Those identical words were submitted by a member of the Foreign Relations Committee. They were accepted by the State Department and the Secretary of State, and they were accepted by the representatives of all the other nations that signed the treaty. I simply cite that as one instance.

I see the Senator from Massachusetts [Mr. Lodge] now present in the Chamber. I think he will confirm what I have said about the participation of the Foreign Relations Committee in the writing of this treaty. We were meticulous in undertaking to protect the rights of the Government of the United States.

Of course, we could not dictate every particular provision; but on the whole I think the committee gave most careful attention to the treaty and did what it thought was just and proper to protect the rights of the United States Government.

I thank the Senator from Utah for yielding.

Mr. WATKINS. Mr. President, I should like to observe, as I stated a few moments ago, that I think one of the real tests of whether the treaty does

contain a commitment can be pointed up by means of the presentation of a reservation which I think I shall propose. If the treaty does not contain a commitment, then I think a reservation to that effect should be accepted by the Foreign Relations Committee and by the Senate; but if they will not accept it, that will mean only one thing, to my mind, namely, that there is a commitment.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MALONE. As a preface to my question, I should like to make a brief review for a moment, and to point out that all the discussion that has occurred on the floor of the Senate in the last 3 or 4 days has been to the effect that we are organizing against Russia, and that that is what the North Atlantic Pact is for. Of course, to someone used to straight-forward language, and to people who—as the distinguished Senator from Utah has said—say what they mean and mean what they say, there can be no doubt but that the arms program is being run tandem with the pact itself. It is simply delayed to lessen the impact on the American people. In other words, it is a definite part of it, just the same as gasoline for an automobile. As I called attention a while ago—and I think it is necessary to refer to it again, in view of the recent statement—that in 1942 and 1944 both England and France made with Russia nonaggression pacts, as they call them, almost identical with the pact they are now making with us. I read the language of the nonaggression pacts into the RECORD, and they will be there for all to see. Those pacts are still in effect. There has been no move to renounce them except to say that they do not mean what they say; which, as the junior Senator from Utah has pointed out, they can very easily say about the North Atlantic Pact, when the time comes.

Mr. WATKINS. I may say to the Senator, it could be interpreted to mean nearly anything the Executive wants it to mean, and that the other nations want it to mean. It can fit nearly every situation that can be devised, if the interpretation of it is left to them in the future.

Mr. MALONE. I agree with the Senator from Utah. Mr. President, will the Senator yield further?

Mr. WATKINS. I yield.

Mr. MALONE. On March 17, 1948, the President of the United States, in an address, mentioned the North Atlantic Pact, from which address I quote the following excerpt:

If I may use an understatement, the sense of insecurity prevalent in western Europe is not a figment of the imagination. It has come about through the conduct of the Soviet Union.

In other words, the chairman of the Foreign Relations Committee, the distinguished senior Senator from Michigan, who is the minority leader on the Foreign Relations Committee today, and the President of the United States, have already emphasized that Soviet Russia as the one we are trying to subdue; the one

we are getting ready to fight. There is then no question about the violation of the nonaggression pact that England and France signed with Russia, when they say in such pacts with Russia that—

The high-contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high-contracting parties.

I will now ask the Senator from Utah whether he is familiar with the dispatch this morning in the Wall Street Journal headed "Britain hints it hopes to build trading bloc with soft-currency nations to shut out others." And I may add "including the United States," which is very plain from reading the body of the dispatch. Is the Senator familiar with that dispatch?

Mr. WATKINS. I am, since the Senator called it to my attention.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. MALONE. I call the Senator's attention, as a preface to the next question, to the fact that we have, during the past 3 or 4 years subsequent to World War II, established very definite military spheres of influence between Russia and the United States. We started in a grand style at San Francisco. I attended that conference as an observer. We started by saying there were five major nations. Of course, most of us at the time said there were not five, there were but two, Russia and the United States, and that has proved to be the case. We have those definite military spheres. Everyone denied it for 2 or 3 years, of course, as they are now denying the real meaning and effect of the North Atlantic Pact. Is the Senator familiar then with the fact that our military sphere of influence, which is very clear-cut, shutting out the iron curtain countries, shutting in the 16 nations of Europe and other areas throughout the world; however, since Russia and the "agrarian Communists" took over China and are headed toward the rest of Asia perhaps our military sphere of influence is trimmed down to a considerable extent, but it is recognized that there are two definite military spheres of influence. Is the Senator familiar with the fact that our sphere of influence is being divided into four economic blocs? First, of course, we have our own; the dollar area.

Mr. WATKINS. If I may inquire of the Senator, does the Senator mean under this recent development?

Mr. MALONE. Under this recent development.

Mr. WATKINS. I am not familiar with this development.

Mr. MALONE. It is not so recent. It has been going on now for some time. In other words, we have the dollar area, confined entirely to the United States proper, and, to a certain extent, Canada, which is also under the influence of the sterling bloc; then we have the sterling bloc comprising 57 countries and entities. Those countries were named in the ECA debate. The junior Senator from Nevada submitted the list for the RECORD at that time. There is also the French franc economic bloc, including New Caledonia, Morocco, French West Africa, Indo-China, and certain other areas. There



is also the Belgian franc area, that includes the Belgian Congo, and the Holland guilder area, which includes Indonesia and certain other areas. But the main economic bloc is the sterling bloc, which has slowly encroached upon the dollar area, until it is now about ready to spring the trap and restrict the dollar area trading.

I will read the first two paragraphs, if the Senator will permit me, of the London dispatch.

The PRESIDING OFFICER. The Senator from Utah yielded for a question. Does the Senator from Nevada have a question to address to the Senator?

Mr. MALONE. If the Senator will yield for a question—

Mr. WATKINS. I yield.

Mr. MALONE. This is a preface to the question:

Harold Wilson, president of the board, gave a strong hint yesterday that Britain hopes to build a trading bloc among the soft-currency countries.

This is not new; it is simply now coming out into the open.

Mr. LUCAS. Mr. President—

Mr. MALONE. He—Mr. Wilson—headed this declaration with the statement that so many conditions lend support to reports from Washington, that in order to protect the wobbly pound sterling, Great Britain is planning a British-controlled trading bloc that would shut the United States dollar out of much world trade.

I ask the distinguished Senator from Utah whether he is familiar with the fact that this is exactly what has now happened; "bloc" means of course that the money they have in the British pound can be expended in the sterling area only. Is the Senator familiar with the fact that we are being slowly blocked out of the markets in our own military sphere of influence?

Mr. WATKINS. I thank the Senator for the information. I was not thoroughly familiar with that. I think it is a very interesting point to have raised.

Mr. MALONE. Mr. President, if the Senator will yield further for one observation and a question—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada for a question?

Mr. WATKINS. I yield for a question.

Mr. MALONE. As a preface to that, it is the opinion of the junior Senator from Nevada that this is one other part of the four economic areas that we have already tied together; the first, the tripartite free-trade program of the State Department, promulgated by the State Department. As stated explicitly by Willard Thorp before the Ways and Means Committee of the House, the ECA program is the first part of the tripartite program, in my language, making up the trade balance deficits of each of the European countries in cash—our chief exports, in cash.

Then, there is the 1934 Trade Agreements Act. Mr. Willard Thorp called that a second part of the program, whereby the tariffs and the import fees have been lowered below any effective floor under wages, and below any effective protection of the working men and

the industries of America. The State Department using the 1934 Trade Agreements Act as a basis has adopted a selective free-trade policy, on the theory that the more we divide the markets of this Nation with the other nations of the world, the less their annual trade balance deficit will be. Then comes the International Trade Organization comprising 58 nations with 58 votes, to which we assign all of our right to fix our tariffs and import fees—we have the same vote as Siam—and this organization will meet once each year and divide up what is left of our markets. There is then the great "bold new program," under which we are to guarantee the investments of the manufacturers and processors in Europe, Asia, and Africa; serve the markets that were supposed to be opened to us under the Marshall plan; and under the free-trade arrangements, to ship the products of the low-cost labor into the United States, displacing American workmen. And now comes the North Atlantic Pact, which in effect guarantees the integrity of the colonial system, furnishing the arms to the empire-minded nations so they can use them to retain the slave labor in Indonesia, the Malayan States (Singapore), Indochina, and the African States.

Is it the Senator's opinion that after we have done all this and have committed this Nation to send arms, as the Senator has so ably described, that they will reduce their own appropriations for their own defense, and let us take over the responsibility to furnish the defense set-up for them?

Mr. WATKINS. I think it would be a strong temptation to them, if they had someone who was willing to take care of defense and furnish them with arms, to use their own money for some other purpose and let the good friend carry the load as long as he was willing to do it. That would be the human-nature side of it.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. WATKINS. I yield.

Mr. MALONE. Is it not implied in the very actions of the nations when their representatives were signing the pact, when each of them almost immediately inquired when the arms and additional assistance would start rolling over there, that we were committing this Nation to do the job.

Mr. WATKINS. I should like to call the Senator's attention to a statement made before the Foreign Relations Committee by General Bradley regarding the relationship of the treaty to the military-assistance program, which may aid in answering that question. It is found on page 322 of part 1 of the hearings before the Foreign Relations Committee of the Senate.

This is the question I asked General Bradley:

Senator WATKINS. As I understand it, from what has been given to the Foreign Relations Committee of the Senate, it has been announced that we are going to give them \$1,100,000,000 in help of some kind, most of which is, as I understand it, to be in equipment.

General BRADLEY. As I understand it, that is military aid aside from this particular ratification of this pact.

Senator WATKINS. It all has to do with it. It gets its genesis, its beginning, and its authority to some extent, from this pact.

General BRADLEY. I think it is a natural sequence to this.

Senator WATKINS. Then we should get some light on it. We should not take this piecemeal. In other words, the Senate itself has to know what the over-all picture is, it has to know pretty much the same facts that you know in making up your mind and judgment.

We cannot just take one segment and say take the treaty today, and we will talk about the arms tomorrow, or some other day, and give you that information. We ought to have, do you not think, in order to make an intelligent decision and to give intelligent advice to the President, substantially the same facts before us that you have and that the President has or that the Secretary of State has, in order to make up their minds?

General BRADLEY. I believe the Secretary of State has outlined the program as far as the State Department is concerned, in that this ratification of this pact would be followed by a request from the State Department for the third step—some military aid. And I believe he has indicated to you that that military aid to these particular nations for the first year, which he would submit to you, would be in the nature of \$1,100,000,000.

So that that is a sequence which I believe the State Department would follow if you ratify this pact. Then he would follow with that request for this aid.

In other words, it is conditioned on the ratification of the pact.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. DONNELL. Would the Senator read into the RECORD that expression beginning with "if"?

Mr. WATKINS. I shall read the whole sentence:

So that that is a sequence which I believe the State Department would follow if you ratify this pact. Then he would follow with that request for this aid.

In other words, on condition that the pact is ratified, then he would come in with this request; otherwise not.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MALONE. First, I should like to compliment the Senator on his ably delivered address. I believe he has done the Senate a great favor in bringing out the fact that the \$1,100,000,000 estimated as the first year's cost would simply be used for preparation of shipments and for freight. That it was approximately 15 percent of the total; in other words, approximately \$7,000,000,000 altogether would be the amount needed the first year. Am I correct in my computation?

Mr. WATKINS. It would be somewhere in that neighborhood.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WHERRY. I should like to clear up a matter of interpretation of the testimony of the Secretary of State and also the statement of the distinguished chairman of the Foreign Relations Committee and of the able minority member [Mr. VANDENBERG]. I think I interrupted the Senator in his speech, first, by saying that the language which bothered me was in article 3. I should like to ask the Senator if he has before him the

hearings before the Foreign Relations Committee.

Mr. WATKINS. I have volume I.

Mr. WHERRY. Mr. President, I ask unanimous consent, inasmuch as the Senator from Utah does not have the complete hearings before him, that I may read this.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. WHERRY. In my opinion, the controlling basis for this treaty goes back to the important witnesses, especially the chairman of the committee and the ranking minority member.

The Secretary of State is testifying, and the chairman asks him a question:

Is there anything in the treaty itself that binds the United States even to adopt the military program? I mean explicitly.

Mr. WHERRY. Secretary Acheson said:

Yes, sir. That question is one which it would be pleasant if one could answer "Yes" or "No." I think it requires a very clear understanding.

I commented on that a while ago when I asked the Senator the first question in regard to his speech. I am going back to it because I want to clarify it.

Here is the further answer of the Secretary:

There is something in the treaty which requires each Member of the Senate, if you ratify this treaty, when he comes to vote on the military-assistance program, to exercise his judgment less freely than he would have exercised it if it had not been for this treaty.

Was the Senator from Utah present when the Secretary was testifying at that point?

Mr. WATKINS. I am not certain. I think I was not present when he gave his direct statement. We did not receive our invitations until later in the day.

Mr. WHERRY. What is the Senator's interpretation of that observation? If we sign the pact, that restricts or limits or requires each Member of the Senate, when he comes to vote on the military-assistance program, to exercise his judgment less freely. If the pact is separate and entirely distinct from the arms part of it, what is to prevent a Senator from exercising his own best judgment? If that point can be cleared up, I shall be very glad, because my decision in the matter depends upon its clarification.

Mr. WATKINS. I think he means that a Senator who votes for the pact is not entirely free to vote against implementation. I would also say that that is diplomatic language for saying we are committed, without actually saying so in words.

Mr. WHERRY. I thank the Senator for that observation.

I want to address another question to him, and then I shall be through. The chairman asked the Secretary other questions regarding mutual aid and assistance, and finally we come to the last statement of the chairman of the Foreign Relations Committee:

I wanted to make that clear, if I might, because some Senators seem to be bothered with that question.

That is the question of whether voting for the pact also commits one to vote for arms implementation.

It seems to me that when we treat these two instruments separately each Senator is under the duty of searching his own conscience and his own mind as to whether or not the provisions of any particular measure come within the obligations which we will assume when we ratify the treaty. There might be a wide divergence of view in some Senator's mind as to whether it was necessary to adopt any particular measure to meet the general clause of mutual assistance. There might be mutual assistance in other ways besides armed force. So that is your answer on that.

That was the statement of the chairman of the Foreign Relations Committee.

What mutual assistance could possibly be in the mind of the chairman, in view of the fact that the Secretary of State is now asking for armed assistance? What could a Senator vote for in the pact that would not require mutual aid in the way of armed services?

I think the Senator knows that in the House an arms-implementation bill has already been reported and given priority. I am asking, if a Senator voted for the pact and did not intend to vote for arms, what mutual aid would we be extending to these countries which would serve the purpose and effect for which we are asked to sign the pact?

Mr. WATKINS. I cannot think of any. We might send them a greeting card, but it would not be much more than that. What they need is guns, planes, tanks, ammunition, and whatever it takes to defend themselves.

Mr. FERGUSON. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield for a question.

Mr. FERGUSON. Does the Senator know of anything which obligates a Member of the Senate to vote a particular way upon any resolution? I ask that sincerely, because of the question before us. It seems to me that when we treat these two instruments separately each Senator is under the duty of searching his own conscience and his own mind to determine whether or not the provisions of any particular measure come within the obligations resting on him. Let us assume that we ratify the treaty. There might be a wide divergence of views in the minds of some Senators as to whether it was necessary to adopt any particular measure to meet the general clause providing for mutual assistance. There might be mutual assistance in other ways than by armed force.

The Senator from Nebraska, in connection with that, read this language of the Secretary:

There is something in the treaty which requires each Member of the Senate, if you ratify this treaty, when he comes to vote on the military assistance program, to exercise his judgment less freely than he would have exercised it if it had not been for this treaty.

Coming back to my first question, a Senator has a free choice to vote upon each legislative matter as his conscience dictates. Is not that true?

Mr. WATKINS. Yes; unless he has made a commitment along the line that binds him to do something else.

Mr. FERGUSON. How would the Senator expect that a Senator could along the line bind himself to do something else? I am trying to ascertain whether each vote is not a vote of a Senator's conscience.

Mr. WATKINS. He may not do it in good conscience. After all, he may say, "This is a question for my conscience and even if I vote to ratify this treaty, I have an obligation"—the Senator will note that the word "obligation" is used. If it creates an obligation, in spite of the fact that I voted for it, I am still a Senator, and I do not have to vote for any of these things, and I am going to exercise my right to say "No." I say he has a legal right to turn down any proposal, even after he voted to create it. But that is not what we are talking about.

Mr. FERGUSON. Consistency may cause a Senator to feel compelled to vote in a certain way, but he still would be able to vote for this pact and vote against any armament under it. Is not that correct?

Mr. WATKINS. In my humble opinion, he could not do it without stultifying himself.

Mr. FERGUSON. The Senator entertains that opinion on the basis of consistency?

Mr. WATKINS. No. I say a legal obligation is created by the vote cast.

Mr. FERGUSON. How can there be created in the case of a Member of the Senate a legal obligation to vote in a certain way?

Mr. WATKINS. I think what the Secretary was driving at was not merely a question of a Senator's own conscience, but whether or not the Government of the United States was committed to any particular line of action by reason of this treaty. It is not simply a question of getting down into some Senator's conscience. That may have been a specific question at one time, but the whole question was whether or not we were committed to anything, and I feel that if my country is committed to anything, and I have helped make the commitment, I am at least morally bound to go on through with the program.

Mr. FERGUSON. Does the Senator feel that this treaty binds the United States to furnish a certain amount of military equipment?

Mr. WATKINS. Not a certain amount, but it requires the United States to give some military equipment. If we are to aid, this is an arms pact, there is no doubt about it.

Mr. FERGUSON. Does the Senator feel that it would not be possible to arm or provide for our national defense and do it for a less number of dollars under the pact than before we signed the pact, even though we did put part of the equipment in the hands of those who signed the pact with us?

Mr. WATKINS. It is possible, but not probable.

Mr. FERGUSON. Why not probable?

Mr. WATKINS. Because I cannot conceive of our helping ourselves by sending equipment to the countries in Europe which later may fall into the hands of an enemy.



Mr. FERGUSON. Does not the Senator feel that if we arm, and do it under an over-all strategy, we will not put one dollar's worth of equipment anywhere, either with or without this treaty, that we would not put there because we thought it strategic, rather than because of the signing of the treaty?

Mr. WATKINS. Mr. President, I do not know that I get the purport of the Senator's question.

Mr. FERGUSON. I will change it a little. I assume that the United States military authorities are going to plan our defense so that it will be the best defense possible. Is not that correct?

Mr. WATKINS. I hope they will.

Mr. FERGUSON. And if we sign the treaty, that will not of necessity require them to make our defense plans different from what they would be without it. It may give them opportunities to make them different, but it would not require them to make them differ more than was dictated by good strategy.

Mr. WATKINS. I think probably that by signing the pact there will be opened to them foreign air fields they would not have otherwise, which they could not plan on. I think it has certain advantages from the standpoint of the strategy of a purely military man. I think it has possible advantages in planning the defense of a certain area.

Mr. FERGUSON. Does not the Senator feel that the question of candor or of open determination has something to do with the fact we should sign this treaty so that the world would know where we stood on the question of aggression?

Mr. WATKINS. I do not think we have to sign the treaty to let the world know where we stand on aggression. We have been showing that by our deeds in a much stronger way than by our words. We have been appropriating billions of dollars to help people in foreign countries. We have twice come through with a Greek-Turkish loan. We have granted billions of dollars under ECA, and have spoken time and time again through the President, the Secretary of State, and through the Congress itself. In addition, we fought two wars against aggression. I think the people of other nations know where we stand on the question of aggression.

Mr. FERGUSON. Can the Senator find any place in America's foreign policy today where we have in definite terms announced that we would fight, that we would actually go to war because there was an aggression against any foreign country?

Mr. WATKINS. In the first place, the State Department does not have any right to say we would go to war. It is only Congress that can say we will go to war. Personally, if it were a matter of war declaration today with respect to some countries, if Russia for instance were attacking one of the small countries with an all-out attack, I would be ready to vote for a declaration of war. I do not know whether I would 5 years from now or not. It would depend on circumstances. I do not know whether I would 15 years from now, or 20 years from now. I have seen conditions change so rapidly and completely that it is difficult to look that far ahead and make a commitment.

Mr. FERGUSON. Does the Senator think this treaty changes our foreign policy in any other way than by putting it in writing? Does not the Senator think our foreign policy is today just as it is laid down in this treaty, except that under the treaty we declare it in writing, and sign it, and tell the world what it is?

Mr. WATKINS. We would be putting ourselves into a mold for 20 years. We are binding ourselves for 20 years to a particular policy. As the Senator from Michigan says, we are in effect making a bilateral Monroe Doctrine declaration.

Mr. FERGUSON. Is not that correct?

Mr. WATKINS. But is that what we should do? We have already taken on the protection of half the world. Are we so strong, are our resources so great that we can undertake to defend these European countries against possible enemies? Can we bind ourselves to that for 20 years? We are, by the treaty, binding ourselves to go to the defense of the European countries involved at any time they are attacked. We are binding ourselves, not for 1 year, but for 20 years, in spite of the fact that we do not know what may occur in the years to come, or what changes may occur. We do not know what our foreign policy ought to be 20 years from now. Maybe the nations we are now undertaking to protect may be aligned in some other way in years to come. All that is necessary to do is to call the roll of former allies to see where they are now.

Mr. FERGUSON. If the countries parties to the pact become aligned in some other way, then, under all the terms of international law, they would have breached the treaty, and the treaty would not be binding upon the United States of America. Is that not true?

Mr. WATKINS. I take it that is true. Ordinarily we try to observe our agreements, but other countries parties to the treaty could take actions which we now cannot foresee, but they could keep us tied to the agreement.

Had the Senator been present a while ago he would have heard my statement with reference to what occurred in the matter of the violation of treaties after the League of Nations had been formed. Certain countries did not abide by article 10 of the League of Nations. They had agreed to stand by that article, yet they permitted certain aggressions to take place. Great Britain, Germany, and France signed the Treaty of Locarno, but did not keep that agreement. They have failed time after time to keep their agreements.

Mr. FERGUSON. Does not the Senator agree that some permanency of peace is important to the world?

Mr. WATKINS. I agree most heartily.

Mr. FERGUSON. Does not the Senator agree that a nation should be able to look ahead for a 20-year period and that its people should have reasonable assurance that the agreement will continue in force for a period of 20 years? Would not that in and of itself be of great importance to the peace of the world?

Mr. WATKINS. That is what we thought when the United Nations Charter was signed.

Where are the nations today who signed the United Nations Charter? Call the roll of those nations and it will be

found where they now are. Russia, Poland, Czechoslovakia, Yugoslavia, China, signed that Charter. Where are they now?

Mr. FERGUSON. Can the United States afford to have a temporary foreign policy, a foreign policy which fluctuates and changes from day to day? Is it not well that we put our policy into writing?

Mr. WATKINS. That is exactly what we have done. But after the mess we have got into I do not believe we can afford to gamble on a set policy which in the light of recent history can be to our disadvantage.

Mr. FERGUSON. A vacillating foreign policy is not good for the world. Will not the signing of the treaty bring about a permanency of peace and thus be of great benefit to all the peoples of the world?

Mr. WATKINS. The signing of the treaty will probably bind us, but it probably will not bind our so-called allies. I question whether it is wise to take on the additional load we must carry by reason of signing the treaty. We must not only take into consideration the question of our foreign policy, but we must also consider our domestic policy. We must consider the burdens we now have, and the burdens we will have in the future.

Mr. FERGUSON. I agree that those matters are tied closely together. But if we sign the treaty and the other countries have signed it, naturally if they breach the treaty it then is not binding upon us.

Mr. WATKINS. But what will be the effect on us if we continue in good faith to observe the provisions of the treaty, and other countries signatory to the treaty leave us at the moment when we need them most? Suppose, for instance, the treaty is ratified and that Russia, contrary to what everyone expects, does not decide to attack in Europe, but decides to attack in the Pacific area. Let us say that she has poised on her borders in Europe some 200 divisions. Then let us say she begins an attack on Japan first, with the ultimate objective of getting at the United States, and progresses with her attack in that direction and finally decides to attack the mainland of the United States. Does the Senator think for a moment that under such circumstances the people of the countries of western Europe, who have gone through two world wars, who have been occupied by enemy armies, would come to our defense? How would they respond to a statement from Russia to the effect, "We are not going to attack you. Our fight is with the United States. We will, however, attack you if you move in the direction of defense of the United States, but we will not attack you if you do not come to the rescue of the United States." If such a statement were made by Russia, what would be the result? The peoples of the countries of western Europe would never sustain a declaration of war against Russia. So those countries would not be with us when we would need them most.

Mr. FERGUSON. The Senator from Utah has given a hypothetical case, under the circumstances of which it would be hard for the western European nations to come to our assistance. If we

were attacked from the Pacific, by way of Japan, the question is whether the countries of western Europe would come to our aid. The Senator has presented a very plausible hypothetical case. But I ask the Senator whether the situation would be any different if the countries of western Europe are not parties to the treaty? Is it not better to have in effect a treaty to which they are parties? In such event would it not be more reasonable to believe that they would come to our aid in every way they could.

Mr. WATKINS. I have already pointed out that Britain did not back up France when Germany moved in on the Rhine. And she has failed in nearly every one of her agreements.

Mr. FERGUSON. Self-interest is, of course, involved in foreign policy.

Mr. WATKINS. Yes; and when Russia has 200 divisions poised on the borders of the western European countries, the same thing will happen. As a matter of fact, the United States in that event will be worse off, because we will have sent to Europe, in the meantime, billions and billions of dollars worth of equipment, equipment we should then probably need at home. So we will be obliged to spend more money to build armament. That is no idle theory.

Let me call the Senator's attention to the fact that during World War II we sent so-called surplus, obsolete equipment to Great Britain, when she was in a tough situation, following the fall of France. It was referred to as a sort of second-hand equipment. We remember how it was glossed over. But when Japan struck in Hawaii, our people became almost panic-stricken because we did not have enough guns and ammunition to fight a 1-day battle, let alone to fight for a month. That was because we had sent it all overseas previously.

Mr. FERGUSON. That was a matter of strategy.

Mr. WATKINS. A matter of strategy? It was a matter of not having the guns and the tanks and the ammunition with which to fight a war. If Japan had known our real situation she could have moved in on us more rapidly.

Mr. FERGUSON. Is it not true that the powers-that-be decided that it was better for our defense to do what we did?

Mr. WATKINS. We were not in the war.

Mr. FERGUSON. We were not in it, but we were preparing for it, were we not?

Mr. WATKINS. I do not know whether we were preparing for it or not. The President said he was not going to go into it, and he said that he was keeping us out of it. That was his pretense all the time.

Mr. FERGUSON. Is the Senator familiar with the meetings held by the Joint Chiefs of Staff of Britain and America? Is the Senator familiar with the meeting at which the Atlantic Charter was released?

Mr. WATKINS. What I am speaking of occurred a long time after that. The Senator is speaking of the time we got into the war.

Mr. FERGUSON. No, no; prior thereto. Does the Senator realize that

we had prepared an army to go to the Azores to take the Azores?

Mr. WATKINS. Does the Senator mean prior to the time Japan struck?

Mr. FERGUSON. Yes.

Mr. WATKINS. Without any authorization by the Congress?

Mr. FERGUSON. Yes.

Mr. WATKINS. Then, I would say that the President of the United States had violated his constitutional oath.

Mr. FERGUSON. If the Senator will read the testimony taken during the Pearl Harbor hearings, he will find that to be true.

Mr. WATKINS. I will admit that the President of the United States at that time was doing many things that were contrary to the Constitution, that were illegal. The question will be answered finally when history is written whether the President then did what he should have done under all the circumstances; whether the President did the right thing for his country. He did many things at Yalta, at Tehran, and at other places we did not then know about.

Mr. FERGUSON. I do not care to go into a discussion of that particular subject at the present time. I am sincere in my questions. My purpose is to find whether we can develop that it is possible for America to look ahead and, even though it may require 20 years, try to establish something that will represent a sincere attempt to keep the peace for at least that long a period. The one thing, as I see it today, which is most apt to bring about peace in the world, is our adherence to the North Atlantic Pact. By doing so we would be candidly and openly laying down in black and white exactly what we mean, and saying what we mean, which is that we want to have certain areas of the world kept free from aggression on the part of anyone, for the next 20 years. If we can keep them free, we shall have peace for 20 years.

Mr. WATKINS. We have been arguing all afternoon as to what is meant by the various articles. Even the friends of the treaty are in disagreement at the present moment as to what they mean. So it is difficult to say that we mean what we say and say what we mean, when we cannot find out what is meant. I could show the Senator contradiction after contradiction in the testimony and statements of proponents of the treaty, as to what it means; also contradictory actions by those who negotiated the treaty.

Mr. President, I have been speaking for more than 3 hours. I am becoming a trifle weary. I should like to conclude. Most of the material which I had intended to cover has been brought out by questions.

Mr. BALDWIN. Mr. President, will the Senator yield for a brief series of questions?

Mr. WATKINS. I yield.

Mr. BALDWIN. First, I should like to ask the Senator whether or not he believes that the Congress and the Government should take every positive action it can to bring about a strengthening of the United Nations.

Mr. WATKINS. I should like to see that done, even though I think the diffi-

culty with the United Nations is the fact that it is built on nations some of whom are not peace loving, but who are aggressive and will not support the program. We cannot get anywhere so long as we have that kind of situation. That is what has split the world into two camps; and this treaty is only formal recognition of that division.

Mr. BALDWIN. The Senator does not mean, does he, that if there is a part of the world which does not believe in strengthening the United Nations Charter, we should give it up entirely?

Mr. WATKINS. No. I am willing to go along. I have voted for practically all the European programs up to date, including the ECA, and on two occasions the Greek-Turkish loans. This is the first time I have questioned the decisions. Previously there did not seem to be anything else to do. Here we are asked to choose between a policy which has been in effect for more than 150 years, and which has made us a great Nation, and a policy calling for some definite, positive alliance with other nations. Of course, the burden is on those who want to establish that kind of program to show that it is a better program than the one we now have.

Mr. BALDWIN. If the Senator agrees with me that we should take every step possible to strengthen the United Nations, and if he also agrees with me that we should not necessarily abandon it merely because not every member of the United Nations is in agreement, then would not the Senator agree with me that we should continue to explore that particular situation? I should like to recall—

Mr. WATKINS. Let me answer the first question before the Senator proceeds to another question. I should say yes; let us do all the exploring we can.

Mr. BALDWIN. I wonder if the Senator recalls that in the Eightieth Congress, on July 9, 1947, a group of Senators collaborating with the Senator from Michigan [Mr. FERGUSON] submitted Senate Concurrent Resolution 23. It is very brief, and I shall read it:

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that permanent world peace can and will be achieved through the United Nations and to that purpose we believe that action should be taken under the provisions of the Charter of the United Nations to propose and adopt amendments and revisions that will strengthen the United Nations as an instrument to prevent war and maintain world peace.*

Does the Senator recall that resolution?

Mr. WATKINS. I remember it very well. I remember having some discussion with the distinguished Senators who sponsored it.

Mr. BALDWIN. The junior Senator from Connecticut recalls discussing it at that time with the distinguished junior Senator from Utah.

I ask the Senator from Utah if he recalls a resolution which was submitted in the second session of the Eightieth Congress, namely, Senate Concurrent Resolution 50, sponsored by the Senator from Michigan [Mr. FERGUSON] and other Senators.



Mr. WATKINS. I recall it.

Mr. BALDWIN. I should like to call attention to certain portions of that concurrent resolution, which was rather comprehensive. I read briefly from the concurrent resolution:

Whereas civilization itself is threatened by the atomic cloud now hanging over the world, and by the back-breaking load of an armament race leading to a terrifying third world war; and

Whereas the maintenance of international peace and security demand affirmative action now by all the nations of the world seeking peace, so that the mutual suspicion and fear now driving the world into opposite military camps may be replaced by mutual confidence in a United Nations strong enough to guarantee any member nation, however large or small, and whatever its form of government, against armed violence by any other nation; and

Whereas the Congress favors the revision of the United Nations Charter so that its existing defects, demonstrated by experience, shall be removed, and the United Nations Organization shall be able to fulfill its stated mission as the principal and most effective instrument for world peace; and

Whereas the revision of the United Nations Charter should be undertaken or supported by the United States Government without delay and in a manner that shall most effectively parallel and integrate the measures for world economic recovery already undertaken or yet to be undertaken by the Congress of the United States: Therefore be it

*Resolved by the Senate (the House of Representatives concurring),* That the President is authorized and requested to initiate such measures as will carry out without delay the policies hereinabove enunciated, being guided by such principles as he may deem advisable, including the following:

(2) The revision of the United Nations Charter shall be carried out with the approval of all member states if possible; but in the event that any permanent member states should veto the proposals for revision, the United States shall join with other like-minded states in accordance with applicable provisions of the United Nations Charter or in any other manner acceptable to the majority of member states, in establishing, on the basis of a revised United Nations Charter, a more effective international organization for mutual defense without the participation of the abstaining state or states.

That concurrent resolution was submitted in the Senate on April 12, 1948, and referred to the Committee on Foreign Relations. Does not the Senator recall that the Committee on Foreign Relations subsequently reported the so-called Vandenberg resolution, Senate resolution 239?

Mr. WATKINS. I remember it very well.

Mr. BALDWIN. That was really the precursor of the present Atlantic Treaty. Does not the Senator believe that had we attempted to proceed along the more ambitious lines outlined in the first resolution we would have been immediately met with a veto from the Soviet Union?

Mr. WATKINS. I think so.

Mr. BALDWIN. Under those circumstances, does not the Senator believe that the more ambitious program would therefore have been futile, and that we had better proceed in a less ambitious fashion to accomplish a greater degree of unity and a more comprehensive area of defense than we had at that time, or presently have?

Mr. WATKINS. Of course, that goes to the question which is before us, whether what is proposed is better than the policy we have had in the past. I shall not now answer categorically.

Mr. BALDWIN. I would not ask the Senator to do so. However, is it not logical to suppose that the Atlantic Pact which we now have before us is a natural sequence of accomplishment along the lines which I think all of us were thinking about 2 years ago? Does not the Senator believe that under all the circumstances this is the most that could be accomplished within the provisions of the United Nations Charter, providing for defense in a very limited but very vital and important area?

Mr. WATKINS. I think this is a manifestation of the failure of the United Nations to accomplish the principal purposes for which it was organized. I think it is another effort to do what we could not do with the United Nations. As one witness described it, this is the backstop. The United Nations could not stop war. This is the backstop, and is a temporary measure which will probably stand in place of the United Nations until the United Nations program is placed in operation.

Mr. BALDWIN. Is it the Senator's view that such a pact as the proposed Atlantic Pact was not within the contemplation of the provisions of the United Nations Charter?

Mr. WATKINS. I doubt very seriously if it comes within the provisions of article 51. That seemed to contemplate a different situation. That question has been argued here at some length. I believe the Senator from Vermont [Mr. FLANDERS] argued that particular point. I agree with the Senator from Vermont. I do not believe it comes within the contemplation of the provisions of the United Nations Charter.

Mr. BALDWIN. Of course the Senator will agree with me that that is a matter of opinion, will he not?

Mr. WATKINS. Certainly.

Mr. BALDWIN. It could or it could not.

Mr. WATKINS. Certainly. The Senator from Connecticut asked me for my opinion, and I say that is my opinion.

Mr. BALDWIN. I take it that the Senator from Utah would go along with me in the logical sequence of events, up to the point where he arrives at the question of whether the decision we are now considering is a logical result of our efforts to date.

Mr. WATKINS. I intended to discuss, in a prepared statement, my views regarding the United Nations and this pact in relation to it. I also intended to state why I believe the United Nations has completely failed, and that any organization which is built on force, as this treaty is, and is relying on force to achieve peace in the world, will not succeed. No such organization or effort has ever succeeded in the past, and I think there is something inherently lacking in such an effort, since similar attempts have resulted in so many failures. I think that matter should be discussed. That is my position.

I do not believe any group of nations, selfish as the nations are today, can be

brought into an organization to provide peace. There still will have to be a policeman and a club; and when there is a nation like Russia, there will have to be a military expedition big enough to do the job, and that means war. No matter what it is called, it means war.

Mr. BALDWIN. Would not the Senator from Utah agree that if we cannot get all the other nations to join in an effort to preserve peace, then we should get as many nations as we can to work toward achieving peace in a vital portion of the world?

Mr. WATKINS. I think we should try to get the other nations to live in such a way as to bring about peace. But that does not mean that we have to undertake to police the world and undertake to guarantee its security for the next 20 years. I seriously doubt whether it would be wise for us to attempt to do that.

Mr. BALDWIN. That is where the Senator and I are in disagreement.

Mr. WATKINS. That is quite true.

Mr. BALDWIN. It is my opinion that this is the best means we have to achieve the desirable objectives the distinguished Senator from Utah, along with every other Member of the Senate, has in mind. I wish that we might, as a result of this debate, have evolved some better program. But I am firmly of the opinion that this is the best that has been evolved to date, and that it is better to adopt this course and attempt to follow it, as outlined in the charter, rather than to do nothing at all.

I wish to commend the distinguished Senator from Utah for his able contribution to this discussion. He, together with the distinguished Senator from Missouri [Mr. DONNELL] has pointed out most effectively and forcefully all the things, I think, that can be said on the other side of this vitally important issue.

I thank the Senator for yielding to me.

Mr. WATKINS. Mr. President, I thank the Senator from Connecticut for his courtesy and his statement.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield.

Mr. DONNELL. I should like to ask more than one question, but not very much more.

Does the Senator from Utah recall that on the 18th day of March of this year, which was several weeks before the signature of the treaty, the Secretary of State delivered a radio address on the North Atlantic Pact?

Mr. WATKINS. I remember the speech, and I listened to Secretary Acheson give it. He made an excellent speech.

Mr. DONNELL. In the opening part of that speech, the Secretary of State said this:

The text of the proposed North Atlantic Pact was made public today. I welcome this opportunity to talk with my fellow citizens about it—

And so forth. Then, a little later, he said:

The treaty and its implications can now be fully discussed.

I simply wish to call the Senator's attention to the fact that that speech by Secretary of State Acheson was motivated, as I understand, by his statement that—

The treaty and its implications can now be fully discussed.

I ask the Senator from Utah whether he regards this observation by the Secretary of State, in that radio address, to be of importance in connection with the obligations under article 3. In referring to the second article of the treaty, and so forth—and that portion of his address appears in the newspaper under a heading "Self-help and mutual aid," Secretary Acheson said:

This purpose is extended further in article 3—

I cannot be certain just what the words "this purpose" refer to, unless I read some of the preceding portions of the address. However, that is immaterial at the moment. The statement at that part of the address is as follows:

This purpose is extended further in article 3, in which the participating countries pledge themselves to self-help and mutual aid. In addition to strengthening their free institutions, they will take practical steps to maintain and develop their own capacity and that of their partners to resist aggression. They also agree to consult together—

And so forth. Then this appears—and I ask the Senator from Utah for his observations as to the significance of the statement made by the Secretary of State at that point. The Secretary of State had spoken of the fact that—

The treaty and its implications can now be fully discussed.

And then he said:

Successful resistance to aggression in the modern world requires modern arms and trained military forces. As a result of the recent war, the European countries joining the pact are generally deficient in both requirements.

Then he said:

The treaty does not bind the United States to any arms program.

Mr. President, I pause at this point to say that of course the treaty does not set out an arms program.

Then the Secretary of State said this:

But we all know that the United States is now the only democratic nation with the resources and the productive capacity to help the free nations of Europe to recover their military strength.

I ask the Senator from Utah to recall that apparently what was being discussed there were the treaty and its implications.

Then the Secretary of State said:

Therefore we expect to ask the Congress to supply our European partners some of the weapons and equipment that they need to be able to resist aggression. We also expect to recommend military supplies for other free nations which will cooperate with us in safeguarding peace and security.

Then the Secretary of State talked about the "compact world of today" and the "policy to help free peoples to maintain their integrity and independence, not only in western Europe or in the Americas, but wherever the aid we are

able to provide can be effective," and in that connection he referred to Greece, Turkey, and Iran.

Then he said:

In providing military assistance to other countries, both inside and outside the North Atlantic Pact, we will give clear priority to the requirements for economic recovery. We will carefully balance the military assistance program with the capacity and requirements of the total economy, both at home and abroad.

I ask the Senator from Utah this question: In view of the fact that when the Secretary of State was speaking on the day when the text of the treaty was made public, after he said that the restraints which previously had applied to the pact as a confidential matter no longer applied, he then said:

The treaty and its implications can now be fully discussed.

And then said that the countries are to take all practical steps, and that successful resistance to aggression requires modern arms, and then said that—

We all know that the United States is now the only democratic nation with the resources and the productive capacity to help the free nations of Europe to recover their military strength.

And then said:

Therefore we expect to ask the Congress to supply our European partners some of the weapons and equipment they need to be able to resist aggression.

Does not the Senator regard that as highly significant in determining the real intent and purpose in the framing of the North Atlantic Treaty?

Mr. WATKINS. I think it is very significant; and if a court were ruling upon the construction of a contract, that would be very persuasive evidence of what the parties intended it to mean.

Mr. DONNELL. Mr. President, if the Senator from Utah will consent, I ask that the entire radio address by Secretary of State Acheson, as appearing in the Washington Evening Star of March 19, 1949, be set forth in the RECORD after Document 22 of the State Department, which, as I understand, has previously been ordered to be printed in the RECORD at the end of the Senator's speech.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(See exhibit 2.)

Mr. DONNELL. I thank the Chair.

I thank the Senator from Utah for his forbearance.

Mr. WATKINS. Mr. President, most of the matters I had intended to discuss in the remainder of my speech have already been covered in the questions which have been asked. So I shall not continue further today.

I merely wished to discuss the treaty in respect to some of the problems involved so as to see whether we could find out what the treaty means, what we are being committed to, and what our program for the future should be.

I have pointed out some matters of interpretation which I think are bothering many Senators today in connection with determining how they shall vote on the question of the ratification of the treaty. I think it should be helpful to have these

matters discussed in detail, as to just what was meant. My own personal judgment is that article 3 is a direct and definite commitment, an obligation to render assistance or mutual aid, and that includes, in the very nature of this entire agreement, military assistance. The very fact that the representatives of nations overseas parties to the pact immediately came forward with a request for help, which the Secretary of State had planned, and the discussion which had gone on at one time that the furnishing of armaments was to be made part of the pact, is strong evidence in favor of the interpretation I have just given. My own personal conviction is that when we vote to ratify this treaty we have made a definite commitment binding the United States to render assistance and mutual aid. How we shall implement it, how far we will go, of course will be left up to future Congresses. But there is a definite commitment, it seems to me, that binds us in good faith to carry it out, and if I should vote for this treaty I would feel obligated then to vote for an arms implementation which would be reasonable and necessary to carry out the terms of the pact.

I intend to call up some reservations later on, and I expect to speak on some other phases of the treaty at a future meeting of the Senate, including possibly article 5. I have already suggested that I should like to present some reservations or amendments to article 2, and I may have one on article 3. If it is still insisted that this article means no commitment whatever, no direct commitment on the part of the United States, perhaps then it is unnecessary to have it in the treaty. It must have a purpose, and if it has no purpose, and there is no commitment, then I see no advantage in having so much meaningless language in the treaty.

I yield the floor.

#### EXHIBIT 1

[From Foreign Affairs Outlines: Building the Peace, Department of State, Spring 1949]

#### THE UNITED STATES MILITARY ASSISTANCE PROGRAM

"In the compact world of today, the security of the United States cannot be defined in terms of boundaries and frontiers. A serious threat to international peace and security anywhere in the world is of direct concern to this country. Therefore it is our policy to help free peoples to maintain their integrity and independence, not only in western Europe or in the Americas, but wherever the aid we are able to provide can be effective." (Secretary of State Acheson, March 18, 1949.)

The military-assistance program to be presented to Congress by President Truman outlines one of the most effective steps the United States can take at this time to preserve international peace and maintain its own security. It is a step in keeping with the sharpest lesson of the twentieth century—that the American people and other democratic peoples must now find their security in the broader security of a free and stable world. To keep our freedoms we must share the responsibility of protecting them. Security today means stopping war before it can start. It means halting the piecemeal aggressions which lead to war by making crystal clear to any would-be aggressor the price that must be paid for his attack.

Military assistance to the North Atlantic Treaty countries and to other free nations will further the basic aims of general security



in a manner which the executive branch of the Government believes will prove to be timely, effective, and, in the long run, economical. Coupled with our membership in the North Atlantic Treaty, it will give direct assurance that the United States intends to continue the leadership which has brought confidence and new hope to democratic nations.

In brief, these things will be recommended in the military-assistance program:

That all projects of United States military aid be brought together in one program.

That a single appropriation be made to cover the costs of the entire military-aid program (for the fiscal year 1950, these amounts would be about \$1,130,000,000 for the North Atlantic Pact countries and about \$320,000,000 for Greece and Turkey and certain other nations whose security is important to the United States, making a total of about \$1,450,000,000);

That the Chief Executive be given the authority to make flexible use of these funds and to meet emergencies as they arise;

That most of our aid at this time go to western Europe, an area whose importance to our security has been demonstrated in two world wars;

That the military-aid program be separate and distinct from the North Atlantic Treaty, but that it complement that treaty through carrying out the principles of self-help and mutual aid; and

That our military aid to the free nations of western Europe in 1950 take three forms: a relatively small but very important amount of dollar aid to increase military production programs of the western European nations and thus speed termination of their present heavy dependence on the United States, a direct supply of arms and equipment to help accelerate the strengthening of the defensive capabilities of their military forces, and the provision of United States technical and training assistance.

These proposals add up to immediate support of the nations of western Europe who have requested our military aid. The program proposing that action is an adjustment to the realities of our day and will serve to bulwark the major course the United States has undertaken to preserve peace and maintain its own security.

#### THE BACKGROUND OF UNITED STATES POLICY

##### *The need for the program*

The proposal that we furnish military aid now to the nations of western Europe derives from the United States policy of responsible leadership among free nations. It has given rise in the past to our aid to Greece and Turkey, our share in the great European recovery effort, our support of regional and collective self-defense agreements in Senate Resolution 239, and the North Atlantic Pact. As early as March 17, 1948, President Truman said in a message to Congress: "I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so." The need to act now arises out of the insecurity and fears of western Europe and of other freedom-loving nations of the world.

Free Europeans believe there is serious danger that the progress they have made toward recovery may be wiped out; under these circumstances they find it difficult to exercise to the full the drive and imagination that can take them to higher levels of recovery.

The reality of the fears in Europe and their causes were summarized for the Senate Foreign Relations Committee by Secretary of State Acheson in these words:

"If I may use an understatement, the sense of insecurity prevalent in western Europe is not a figment of the imagination. It has

come about through the conduct of the Soviet Union. Western European countries have seen the basic purposes and principles of the [United Nations] Charter cynically violated by the conduct of the Soviet Union with the countries of eastern Europe. Their right to self-determination has been extinguished by force or threats of force. The human freedoms as the rest of the world understands them have been extinguished throughout that whole area. Economic problems have not been solved by international cooperation but dealt with by dictation. These same methods have been attempted in other areas—penetration by propaganda and the Communist Party, attempts to block cooperative international efforts in the economic field, wars of nerves, and in some cases thinly veiled use of force itself.

"By the end of 1947 it had become abundantly clear that this Soviet pressure and penetration was being exerted progressively further to the west."

The joint effort in the European recovery program has reached the stage where self-confidence is vitally important in bringing out new investments and new industries. There is a close relationship between progress toward recovery and progress toward an effective defense. Not only is recovery the foundation on which the security of a free and healthy people depends, but economic recovery, as it is realized, makes available more and more of the means whereby a defensive strength can be established and maintained through a Nation's own efforts. Confidence that the United States is definitely, clearly interested in the peace and security of Europe and confidence among free Europeans that they themselves can contribute to Europe's peace and security are both needed for full recovery and eventual independence from United States aid.

The military aid proposed for western Europe starts with the size and composition of the military forces planned for in the 1950 budgets of these countries. Its purpose is to help modernize and balance the equipment of these small forces. Experience has shown that small military establishments, well equipped and backed by a determined people, can be effective in maintaining peace. Their presence in areas of insecurity would disabuse any would-be aggressor of his visions of easy conquest. The establishment of such forces cannot be considered an act of aggression. Defensive strength in the hands of nations of peaceful intent does not lead to war. The danger of war arises from the huge military establishments which dictators maintain and are constantly tempted to use.

The free countries of western Europe must be encouraged by our actions to continue their efforts toward recovery. They do not have the resources to develop adequate defense forces by their own efforts within a reasonable time. Their will to resist and their ability mutually to defend themselves must be strengthened. They must be encouraged and assisted to build up their defense forces, through self-help and mutual aid, to a point where aggression cannot take place, either through internal disorders inspired from outside sources or under the guise of border incidents. In short, we must assist the free nations of western Europe to achieve the ability to maintain their independence and national security.

Recovery and confidence are closely linked. Our active foreign policy has given rise in Europe to a great momentum of recovery and a great increase in the will to resist aggression. The hope for peace with freedom lies in maintaining this momentum. The continuing confidence among free peoples that the United States is a full partner in the effort to preserve peace is the key factor in meeting the economic and political problems of our over-all foreign relations.

#### *President Truman's third point*

In his inaugural address President Truman outlined four courses of interrelated action through which the United States is now helping to create the world conditions under which all nations and all peoples will be free to govern themselves and to achieve a decent and satisfying life. They are, first, to support and strengthen the United Nations; second, to continue our programs for world economic recovery; third, to strengthen free nations against the dangers of aggression; and fourth, to undertake a program to improve the living conditions of the peoples of underdeveloped areas through the use of modern technology.

The provision of military aid to other nations comes under the third of the President's policy points. The United States, he declared in his address, will act to strengthen freedom-loving nations against the dangers of aggression and in addition "will provide military advice and equipment to free nations which will cooperate with us in the maintenance of peace and security." This policy is not new. President Truman expressed it in his speech of March 12, 1947, when he requested Congress for the authority to aid Greece and Turkey. He declared at that time that "it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."

In the 2-year interval between these statements positive steps were taken to carry out this policy of military aid. The United States has provided military assistance to a number of nations, including Greece and Turkey, which were in immediate and critical danger of aggression. Since the reiteration of the policy of support given in the President's inaugural address, we have associated ourselves with Canada and 10 other nations in the North Atlantic Treaty, signed on April 4, 1949. Our partnership with the nations of western Europe in this collective-security arrangement goes far to give them the confidence they need, since the treaty states clearly that an attack on one member is an attack on all members. At the present time, however, the preponderant military power which could be brought to bear upon an aggressor is centered in the United States, 3,000 miles from western Europe. It must be perfectly clear to the people of the United States that we cannot count on our friends in western Europe to resist if our strategy in the event of war is to abandon these friends to the enemy with a promise of later liberation. That strategy would be costly, since it could produce nothing better than impotent and disillusioned allies in the event of war. Plans for the common defense of the free world must provide for the security of western Europe, or the New World may one day stand alone—an island of embattled freedom in a hostile world. Western Europe must count on us if it is to survive, and we, in turn, must count on western Europe if we are to endure. As of now, the inadequate defenses of western Europe invite military aggression, and increasing prosperity makes it a prize all the more tempting. Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war. The North Atlantic Pact is an agreement on the policy of a common defense; its very vital corollary is a program of military aid.

#### *Coordinating military aid*

We are already aiding Greece and Turkey. We now find it necessary to aid western Europe and certain other free nations. Manifestly, in the interests of economy and to achieve coherent action, the military aid programs must be considered together and at one time. Accordingly, the executive branch has been developing a program somewhat after the manner of the Marshall plan for

economic aid. For the past several months the Department of State, at the direction of the President, has been coordinating the efforts of all the Government agencies concerned with foreign assistance in shaping a unified, cohesive military aid program. The proposed program provides for centralized administration of military aid and asks that broad authority be granted to the President so that he may make aid available in critical situations. An essential part of the planning at this stage is that the Congress should authorize a single appropriation to finance all activities under the program during the fiscal year ending June 30, 1950.

The advantages of this procedure are evident. It will permit the most economical allocation of our limited military resources and assure that they will be made available where they are most needed and where they can be used most effectively. The broad administrative authority and a single appropriation would provide the flexibility necessary to deal quickly with changing situations. The centralized program also would make possible a system of priorities in which requests for aid could be measured against logical criteria and would insure the most efficient use of our assistance in combination with the resources of the recipient countries.

#### *Requests for assistance*

The provision of military assistance for the fiscal year 1950 is based on requests from certain free nations for such assistance. Of particular importance are the requests received from eight Atlantic Pact countries early in April of this year. The requests of five of these countries—the United Kingdom, France, Belgium, the Netherlands, and Luxembourg—were submitted as a single coordinated request through the mechanism established under the Brussels Treaty on March 17, 1948. The remaining three requests from the Atlantic Pact countries are from Denmark, Norway, and Italy.

These requests have in common certain basic principles which are important in that they provide assurance to us that our assistance will be so used as to furnish the maximum benefit. Stated simply, the requests assure that (1) the requesting countries will cooperate effectively with the United States in maintaining international peace and security; (2) the military programs of the requesting countries will not be permitted to endanger economic recovery; (3) the requesting countries will do all they can to help themselves and like-minded nations in their area.

All of the Atlantic Pact countries requesting assistance recognize the importance of increasing at this time their existing programs of military production above the amount already provided for in their budgets for the coming year. At the same time, they recognize that such an increase in their military production program must not be allowed to interfere with the recovery program.

Of particular importance is the fact that the requests from the Brussels Treaty powers were formulated as a coordinated single request. That coordinated single request took into account what each of the five countries can do for itself and for the others. It is evidence of the ability of the European countries to work together in establishing coordinated planning and is a result of a careful examination, as a group, of what, as a group, they can do for themselves.

While Norway, Denmark, and Italy were not in a position to furnish coordinated requests since they are not signatories of the Brussels Treaty, their requests emphasize the need for the development of self-help and mutual aid as the basic principles of building up the defensive capacity of the entire North Atlantic area.

#### *Relationship to the Atlantic Pact*

The requests of the eight North Atlantic Pact countries are not a product of the At-

lantic Pact. The military-assistance program was conceived and developed separately and somewhat in advance of the formulation of the pact. The military-assistance program would be necessary even without an Atlantic Pact. It is clear, however, that the military-assistance program will be more effective with the Atlantic Pact than without it, for the Atlantic Pact provides the defensive potential of all the members taken together as contrasted with the smaller potential of the individual member nations. It further provides the procedures for attaining coordinated military-defense plans and the mechanisms for developing the self-help and mutual-aid principles.

Although the military-assistance program and the pact were conceived of and developed separately, they are based upon the same principles and they are complementary. Article 3 of the pact provides that by self-help and mutual aid the members will develop their capacity to resist aggression. The military-assistance program is based on the same principle of self-help and mutual aid. Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution. It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual-aid principle. It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense of the North Atlantic area by providing military assistance, and it is the recommendation of the executive branch that it should do so. It is also the opinion of the executive branch that the provision of assistance will become a powerful factor for assuring success on the aims of the pact, for, as the countries of the western union develop their power to resist aggression, they will become better able to contribute not only to the peace and security of the North Atlantic area but to the peace and security of the world.

#### *Relation to the European recovery program*

In the past year the free nations which are bound together in the European recovery program have taken long strides toward being able, in the words of President Truman, to "contribute once more to the security and welfare of the world." There has been a marked rise of confidence among them. Hope, and the will to resist tyranny, were ebbing in 1947. They are flowing again today. The new factor of confidence is a contagious and creative human emotion essential to the final success of the recovery program. Its recent growth in western Europe is based on the belief that through the North Atlantic Pact security from external aggression can be attained.

In the European mind two concepts contained in the Atlantic Pact are inseparable. The first is that unity of purpose among the free nations would be a powerful deterrent to any aggressor, and the second that, through self-help and mutual aid, effective military establishments can be developed as an assurance of defense. To combat fear, which is also contagious and as destructive as confidence is creative, the free peoples of Europe need the concrete evidence of action taken for mutual defense. They need to have in their own hands the equipment and materials which will represent a clear start toward individual and collective military strength, adequate to control internal disorders and to convince an aggressor that he would pay dearly for any attempt to cross their borders.

The nations of western Europe are taking their obligations of self-help and mutual aid under the North Atlantic Pact very seriously and are undertaking to do all they can for

themselves and for each other. They are, however, already making heavy expenditures in relation to their resources for military purposes, and the additional effort that they can make at this time is limited. These nations could not under existing circumstances produce sufficient arms and equipment for themselves for adequate defense within a reasonable time.

They are engaged in an all-out effort to achieve economic recovery, and they are hard pressed to realize sufficient revenues to maintain financial stability and to insure that an adequate flow of funds into reconstruction and investment is maintained. These efforts must have a clear priority. Sound and stable economics are, in themselves, the strongest bulwark against communism, and, in addition, are essential to enable these countries to build up and maintain adequate defense forces. Additional military production to be undertaken by them must accordingly be limited to an amount which will not jeopardize economic recovery and maintenance of financial stability or require any modification of the original concept of the economic recovery program—that the recipient nations are to achieve sufficient economic strength by 1952 to be able to maintain their populations on an adequate basis without extraordinary outside assistance. The margin above the requirements for economic recovery and financial stability for increasing military production is relatively small. A significant beginning, however, can be made. On the basis of estimates by these countries and the Economic Cooperation Administration, it is believed that with our assistance the rate of military production can be increased by the equivalent of several hundred million dollars without endangering economic recovery or financial stability.

The existence of this small margin for additional production does not mean that full-fledged effort toward economic recovery is not being made. In certain cases there are specialized facilities, such as arsenals and aircraft production lines, already in existence which are not being used to capacity, and there exist imbalances in other production facilities which make it impossible to utilize these facilities fully in the recovery effort. In certain countries there is a degree of unemployment or pools of labor which are relatively immobile because of the housing shortage. So long as increased military production is not expanded beyond reasonable limits it would represent a marginal production which can be fitted safely into the gradually recovering economic situation in Europe. The people of these countries, with the impetus of the North Atlantic Pact and the military-assistance program, will also unquestionably accept the further sacrifices required to permit sufficient funds to be realized from noninflationary sources to finance the internal costs of this increased military-production program.

Provision must be made, however, in the military-assistance program to cover dollar costs involved in or incident to this production, because these countries do not have other means to meet these costs. The provision of these funds will be an economic expenditure. When this financial assistance is added to the labor, facilities, materials, and funds to be supplied by the recipient nations, it will result in the production of far more equipment than could be produced by the United States with the same expenditure and will enable these countries to initiate a gradually expanding production program which will eventually terminate the present heavy dependence on the United States.

#### *DETAILS OF THE MILITARY-AID PROGRAM*

##### *A single plan*

The proposed program combines all of the foreign military-assistance programs envisaged for the fiscal year 1950. The requirements of the requesting countries have



been carefully studied to assure the most effective total allocation of United States assistance.

The needs of the five Brussels Treaty nations were examined through informal conversations and in studies carried out among their military representatives and those of the United States and Canada. Both in these conversations and in the studies made by the permanent Military Committee, established under the Brussels Treaty in April 1948, the requirements for defense have been determined.

Requests from Norway, Denmark, and Italy, also members of the North Atlantic Pact, and requests from Greece and Turkey have also been carefully screened by our Government. These reports were examined in the light of the purpose of the coordinated program, our own security interests in the specified area, and the requesting country's military production, its ability to use aid efficiently, its defense position and defense planning, and its relationship to over-all security coordination. Aid in appreciably smaller volume is also needed in additional countries which have asked, or received, our assistance in the past.

The program now before the Congress comprises a planned and coordinated response to all these demands upon United States resources. It is limited to the bare essentials of aid necessary, during the time period proposed, to meet our world requirements.

#### *The cost of military assistance*

The legislation proposed by the President would authorize him to spend \$1,450,000,000 in the fiscal year 1950 for the purposes of the program. Of this amount, \$1,130,000,000 would be provided to the other signatories of the North Atlantic Treaty in the form of equipment shipped from the United States and of funds for financing materials for increased military production in Europe.

#### *Duration of the program*

Military-assistance programs of the United States have been directed toward establishing in areas of the free world threatened by aggression the confidence and physical security which will make attempted intimidation pointless and unprofitable. In facing the predatory, world-wide attacks on democratic freedoms, there is the continuing need to associate ourselves with vigorous, like-minded peoples who have a similar tradition of liberty and freedom.

The program now before the Congress is an interim program covering the most urgently needed military-aid requirements of fiscal year 1950. It is a program which will go into effect, if approved by Congress, prior to the working out of a common strategic concept through the machinery of the North Atlantic Pact. The programs for subsequent years, and the appropriations that will be requested for them, will be dependent upon many intangibles. There are certain limiting factors, however, which may be kept in mind.

The first of these factors is that each year's program will add a permanent increment in defensive strength. With the exception of the aid to Greece, the aid proposed under the present interim program is, for the most part, capital equipment, equipment which lasts in peacetime for many years.

A second factor is that the aid projected for western Europe is being furnished to military forces which are of definite size and composition. Any increase in those forces will be limited by the agreed priority of economic recovery in Europe.

A third limiting factor will be the increasing ability of the nations of western Europe to provide for themselves. As recovery in Europe progresses, industrial production in Europe will increase and so will the amount of production that will be available for military purposes.

The fourth and greatest factor is the degree to which we and the nations associated with us can remove the threat of war. The degree to which we can further that basic aim of our foreign policy will be the most precise measure of the limitations which can be placed safely on United States military assistance.

#### *Impact on the United States economy*

The National Security Resources Board, in consultation with other interested departments and agencies, has analyzed the probable effect of the proposed program upon our own economic and financial strength. The demands of the program for scarce materials such as steel, copper, and aluminum will be small and easily manageable. Since the expenditures in any one quarter of the fiscal year will be less than one-half of 1 percent of our gross national production, the effects on the over-all economy will be slight.

#### *Effect on United States military strength*

The military-assistance program will not weaken our presently authorized armed forces. The slight and temporary impact of the program on our own matériel requirements would be more than compensated by the improvement, in the long run, of the over-all capability of the United States and its partners to deter or to meet aggression.

#### *Administering the program*

The executive branch proposal envisions that the President will delegate to the Secretary of State by Executive order the broad responsibility and authority to administer the military-aid program. Thus military aid may be best integrated into the over-all foreign policy of the United States and made consistent with our goal of world peace.

Within the Department of State an administrator for foreign military assistance would be appointed to administer the program and supervise the allocation of funds for the Secretary. The National Military Establishment would be delegated a large share of the responsibility for the actual operation of the program. Both the National Military Establishment and the Economic Cooperation Administration would act in an advisory capacity to the Department of State.

#### *WAGING THE PEACE*

##### *A defense program*

A considered and limited program of military aid undertaken by the United States now will advance world peace and security by deterring aggression and by helping to create the climate of hope and confidence essential for cooperative action toward a peaceful and prosperous world.

This program is designed to improve the defensive strength of the cooperating nations and thus to increase their will to resist aggression and their ability to maintain internal security. The profound desire of the peoples of western Europe and North America for a chance to live in peace should allay any fear that the North Atlantic Treaty, or the limited assistance proposed for its members, would provide a basis for aggressive action against any nation.

The military-assistance program proposed by the United States, like our membership in the North Atlantic Treaty, is part of a policy which is entirely defensive in its scope. It could not be otherwise. Aggression is contrary to our basic traditions, instincts, and fundamental policies. The very nature of our democratic system of government gives assurance that we could not conspire to undertake an act of aggression.

#### *Military aid and the United Nations*

By helping to restore a sense of security to the free nations of the world through increasing their ability to resist aggression, the military-aid program should help bring about world conditions which will permit the United Nations to function more effectively.

Supporting as it does the peaceful objectives of the United Nations and the inherent right of individual and collective self-defense, specifically recognized by article 51 of the Charter, the program is wholly consistent with the intent of the Charter.

Action taken under the program must conform to United Nations principles and purposes and to our present and future obligations under the Charter. The proposed legislation restates the Government's obligation as a member of the United Nations to refrain from giving assistance to any nation against which that organization is taking preventive or enforcement action. It requires the President to abstain from giving any aid under the program which he may find inconsistent with that obligation.

#### *The price of peace*

The people of America appreciate that world peace cannot be achieved without effort, real sacrifice, and constant vigilance. To this end they have willingly and generously supported programs designed to secure lasting peace and security.

Secretary Acheson said in his radio broadcast on the North Atlantic Treaty: "The United States is waging peace by throwing its full strength and energy into the struggle, and we shall continue to do so. . . . To have genuine peace we must constantly work for it. But we must do even more. We must make it clear that armed attack will be met by collective defense, prompt and effective."

The military-assistance program now proposed is part of the price we must pay for peace and security in present world conditions. It is one of the preventive actions we can take now to avoid the terrible expenditures of war. Today the free nations hold the initiative in the Western World. They are confident that they can and will stand together in defense of their freedom. If we turn aside at this moment from aiding the common defense, we may not again have such an opportunity.

#### *EXHIBIT 2*

[From the Washington Star of March 19, 1949]

#### *TEXT OF SECRETARY ACHESON'S ADDRESS ON NORTH ATLANTIC ALLIANCE*

The text of the proposed North Atlantic Pact was made public today. I welcome this opportunity to talk with my fellow citizens about it. It has taken many months to work out this text with the representatives of the other nations involved. First Mr. Lovett, and then I, met with the Ambassadors of Canada, Britain, France, Belgium, the Netherlands, and Luxembourg.

Recently the Ambassador of Norway joined in these discussions. These talks had to be conducted in private and in confidence, so that each of us could speak frankly and fully on matters of vital importance to our countries. It is for this compelling reason that public discussion of the text of the pact by your representatives has not been possible up to this time.

That restraint no longer applies. The treaty and its implications can now be fully discussed. Public opinion can now be formed on the basis of complete information. Only in this way can your Government have what former Secretary of State Stimson has termed "the understanding support . . . of the American people," which is essential to the success of any policy.

I think the American people will want to know the answers to three principal questions about the pact: How did it come about and why is it necessary? What are its terms? Will it accomplish its purpose?

#### *PEACE AND SECURITY*

The paramount purposes of the pact are peace and security. If peace and security can be achieved in the North Atlantic area,

we shall have gone a long way to assure peace and security in other areas as well.

The achievement of peace and security means more than that in the final outcome we shall have prevented war and brought about the settlement of international disputes by peaceful means.

There must be conviction of people everywhere that war will be prevented and that disputes will be settled peacefully. In the most practical terms, true international peace and security require a firm belief by the peoples of the world that they will not be subjected to unprovoked attack, to coercion and intimidation, to interference in their own affairs.

Peace and security require confidence in the future, based on the assurance that the peoples of the world will be permitted to improve their conditions of life, free from fear that the fruits of their labor may be taken from them by alien hands.

These are goals of our own foreign policy which President Truman has emphasized many times, most recently in his inaugural address, when he spoke of the hope that we could help create "the conditions that will lead eventually to personal freedom and happiness for all mankind." These are also the purposes of the United Nations, whose members are pledged "to maintain international peace and security" and to promote "the economic and social advancement of all peoples."

These purposes are intimately related to the origins of the United Nations. As the Second World War neared its end, the peoples who bore the brunt of the fighting were sick of the horror, the brutality, the tragedy of the war. Out of that revulsion came the determination to create a system that would go as far as humanly possible in insuring international peace and security.

#### TOLERANCE AND COOPERATION

The United Nations seeks to maintain peace and security by enjoining its members from using force to settle international disputes. Moreover, it insists that they acknowledge tolerance and cooperation as the guiding principles for the conduct of nations.

The members are expected to settle differences by the exercise of reason and adjustment, according to the principles of justice and law. This requires a spirit of tolerance and restraint on the part of all the members.

But, as in any other institution which presupposes restraint, violence or obstruction can be used to defeat the basic undertaking. This happens in personal relations, in families, communities, churches, politics, and everywhere in human life. If the system is used in ways it was not intended to be used, there is grave danger that the system will be disrupted.

That applies to the United Nations. The system is not working as effectively as we hoped because one of its members has attempted to prevent it from working. By obstructive tactics and the misuse of the veto, the Soviet Union has seriously interfered with the work of the Security Council in maintaining international peace and security.

But the United Nations is a flexible instrument. Although the actions of the Soviet Union have disturbed the work of the United Nations, it is strong enough to be an effective instrument for peace. It is the instrument by which we hope world peace will be achieved. The Charter recognizes the importance of regional arrangements consistent with the purposes and principles of the Charter. Such arrangements can greatly strengthen it.

The Atlantic Pact is a collective self-defense arrangement among the countries of the North Atlantic area. It is aimed at coordinating the exercise of the right of self-defense especially recognized in article 51 of the United Nations Charter. It is designed to fit precisely into the framework of the

United Nations and to assure practical measures for maintaining peace and security in harmony with the Charter.

#### NATIONAL IDENTITY OF INTERESTS

It is the firm intention of the parties to carry out the pact in accordance with the provisions of the United Nations Charter and in a manner which will advance its purposes and principles.

Already one such arrangement under the Charter has been established with United States participation. The 21 American Republics in reorganizing their regional system have specifically brought it within the framework of the United Nations Charter. We are now joining in the formation of a second arrangement, pertaining to the North Atlantic area, likewise within the framework of the United Nations.

It is important to keep in mind that the really successful national and international institutions are those that recognize and express underlying realities. The North Atlantic community of nations is such a reality. It is based on the affinity and natural identity of interests of the North Atlantic powers.

The North Atlantic Treaty which will formally unite them is the product of at least 350 years of history, perhaps more. There developed on our Atlantic coast a community, which has spread across the continent, connected with western Europe by common institutions and moral and ethical beliefs. Similarities of this kind are not superficial, but fundamental. They are the strongest kind of ties, because they are based on moral conviction, on acceptance of the same values in life.

The very basis of western civilization, which we share with the other nations bordering the North Atlantic, and which all of us share with many other nations, is the ingrained spirit of restraint and tolerance. This is the opposite of the Communist belief that coercion by force is a proper method of hastening the inevitable. Western civilization has lived by mutual restraint and tolerance. This civilization permits and stimulates free inquiry and bold experimentation. It creates the environment of freedom, from which flows the greatest amount of ingenuity, enterprise, and accomplishment.

These principles of democracy, individual liberty, and the rule of law have flourished in this Atlantic community. They have universal validity. They are shared by other free nations and find expression on a universal basis in the Charter of the United Nations. They are the standards by which its members have solemnly agreed to be judged. They are the elements out of which are forged the peace and welfare of mankind.

#### TWO HALVES OF ONE COMMUNITY

Added to this profoundly important basis of understanding is another unifying influence—the effect of living on the sea. The sea does not separate people as much as it joins them, through trade, travel, mutual understanding, and common interests.

For this second reason, as well as the first, North America and western Europe have formed the two halves of what is in reality one community, and have maintained an abiding interest in each other.

It is clear that the North Atlantic Pact is not an improvisation. It is the statement of the facts and lessons of history. We have learned our history lesson from two world wars in less than half a century. That experience has taught us that the control of Europe by a single aggressive, unfriendly power would constitute an intolerable threat to the national security of the United States.

We participated in those two great wars to preserve the integrity and independence of the European half of the Atlantic community in order to preserve the integrity and independence of the American half. It is a simple fact, proved by experience, that an out-

side attack on one member of this community is an attack upon all members.

We have also learned that, if the free nations do not stand together, they will fall one by one. The stratagem of the aggressor is to keep his intended victims divided, or better still, set them to quarreling among themselves. Then they can be picked off one by one without arousing unified resistance. We and the free nations of Europe are determined that history shall not repeat itself in that melancholy particular.

As President Truman has said: "If we can make it sufficiently clear, in advance that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur."

#### COLLECTIVE SELF-DEFENSE

The same thought was expressed by the Foreign Relations Committee of the Senate last year in its report recommending approval of Senate Resolution 239.

"The committee is convinced," the report said, "that the horrors of another world war can be avoided with certainty only by preventing war from starting. The experience of World War I and World War II suggests that the best deterrent to aggression is the certainty that immediate and effective countermeasures will be taken against those who violate the peace."

That resolution, adopted by an overwhelming vote of the Senate, expressly encourages the development of collective self-defense and regional arrangements within the United Nations framework and the participation of the United States in these arrangements.

What are the principal provisions of the North Atlantic Pact? I should like to summarize them.

First, the pact is carefully and conscientiously designed to conform in every particular with the Charter of the United Nations. This is made clear in the first article of the pact, which reiterates and reaffirms the basic principle of the Charter. The participating countries at the very outset of their association state again that they will settle all their international disputes, not only among themselves but with any nation, by peaceful means in accordance with the provisions of the Charter. This declaration sets the whole tone and purpose of this treaty.

The second article is equally fundamental. The associated countries assert that they will preserve and strengthen their free institutions and will see to it that the fundamental principles upon which free institutions are founded are better understood everywhere. They also agree to eliminate conflicts in their economic life and to promote economic cooperation among themselves. Here is the ethical essence of the treaty—the common resolve to preserve, strengthen, and make understood the very basis of tolerance, restraint, and freedom—the really vital things with which we are concerned.

#### SELF-HELP AND MUTUAL AID

This purpose is extended further in article 3, in which the participating countries pledge themselves to self-help and mutual aid. In addition to strengthening their free institutions, they will take practical steps to maintain and develop their own capacity and that of their partners to resist aggression. They also agree to consult together when the integrity or security of any of them is threatened. The treaty sets up a council, consisting of all the members, and other machinery for consultation and for carrying out the provisions of the pact.

Successful resistance to aggression in the modern world requires modern arms and trained military forces. As a result of the recent war, the European countries joining the pact are generally deficient in both requirements. The treaty does not bind the United States to any arms program. But



we all know that the United States is now the only democratic nation with the resources and the productive capacity to help the free nations of Europe to recover their military strength.

Therefore, we expect to ask the Congress to supply our European partners some of the weapons and equipment they need to be able to resist aggression. We also expect to recommend military supplies for other free nations which will cooperate with us in safeguarding peace and security.

In the compact world of today, the security of the United States cannot be defined in terms of boundaries and frontiers. A serious threat to international peace and security anywhere in the world is of direct concern to this country. Therefore, it is our policy to help free peoples maintain their integrity and independence, not only in western Europe or in the Americas, but wherever the aid we are able to provide can be effective. Our actions in supporting the integrity and independence of Greece, Turkey, and Iran are expressions of that determination. Our interest in the security of these countries has been made clear, and we shall continue to pursue that policy.

In providing military assistance to other countries, both inside and outside the North Atlantic Pact, we will give clear priority to the requirements for economic recovery. We will carefully balance the military-assistance program with the capacity and requirements of the total economy, both at home and abroad.

#### EVENTUALITY OF ARMED ATTACK

But to return to the treaty, article 5 deals with the possibility, which unhappily cannot be excluded, that the nations joining together in the pact may have to face the eventuality of an armed attack. In this article, they agree that an armed attack on any of them, in Europe or North America, will be considered an attack on all of them. In the event of such an attack, each of them will take, individually and in concert with the other parties, whatever action it deems necessary to restore and maintain the security of the North Atlantic area, including the use of armed force.

This does not mean that the United States would be automatically at war, if one of the nations covered by the pact is subjected to armed attack. Under our Constitution, the Congress alone has the power to declare war. We would be bound to take promptly the action which we deemed necessary to restore and maintain the security of the North Atlantic area.

That decision would be taken in accordance with our constitutional procedures. The factors which would have to be considered would be, on the one side, the gravity of the armed attack; on the other side the action which we believed necessary to restore and maintain the security of the North Atlantic area.

That is the end to be achieved. We are bound to do what, in our honest judgment, is necessary to reach that result. If we should be confronted again with a calculated armed attack such as we have twice seen in the twentieth century, I should not suppose that we would decide any action other than the use of armed force effective either as an exercise of the right of collective self-defense or as necessary to restore the peace and security of the North Atlantic area. That decision will rest where the Constitution has placed it.

This is not a legalistic question. It is a question we have frequently faced, the question of faith and principle in carrying out treaties. Those who decide it will have the responsibility for taking all appropriate action under the treaty. Such a responsibility requires the exercise of will—a will disciplined by the undertaking solemnly contracted to do what they decide is necessary

to restore and maintain the peace and security of the North Atlantic area. That is our obligation under this article 5. It is equally our duty and obligation to the security of our own country.

#### SUBJECT OF UN CHARTER

All of these provisions of the pact are subject to the overriding provisions of the United Nations Charter. Any measure for self-defense taken under the treaty will be reported to the Security Council of the United Nations. These measures will continue only until the Security Council, with its primary responsibility, takes the necessary action to restore peace and maintain security.

The treaty has no time limit, but after it has been in effect 20 years, any member can withdraw on 1 year's notice. It also provides that, after it has been in existence 10 years, it will be reviewed in the circumstances prevailing at that time. Additional countries may be admitted to the pact by agreement of all the parties already signatories.

These are the principal provisions of the treaty.

Will the pact accomplish its purpose?

No one can say with certainty. We can only act on our convictions. The United States Government and the governments with which we are associated in this treaty are convinced that it is an essential measure for strengthening the United Nations, deterring aggression, and establishing the sense of security necessary for the restoration of the economic and political health of the world.

It seems absurd that it should be necessary, in this era of popular education and highly developed communications, to deal with allegations which have no relation to the truth and could not stand even the crudest test of measurement against realities.

#### NO PLANS TO MAKE WAR

I refer here to the allegations that this treaty conceals aggressive designs on the part of its authors with respect to other countries. Anyone with the most elementary knowledge of the processes of democratic government knows that democracies do not, and cannot plan aggressive wars. But for those from whom such knowledge may have been withheld I must make the following categorical and unequivocal statement, for which I stand with the full measure of my responsibility in the office I hold:

This country is not planning to make war against anyone. It is not seeking war. It abhors war. It does not hold war to be inevitable. Its policies are devised with the specific aim of bridging by peaceful means the tremendous differences which beset international society at the present time.

Allegations that aggressive designs lie behind this country's signature of the Atlantic Pact can rest only on a malicious misrepresentation or a fantastic misunderstanding of the nature and aims of American society.

This treaty is designed to help toward the goal envisioned by President Truman when he said:

"\* \* \* As our stability becomes manifest, as more and more nations come to know the benefits of democracy and to participate in growing abundance, I believe that those countries which now oppose us will abandon their delusions and join with the free nations of the world in a just settlement of international differences."

#### PEACE IS POSITIVE

To bring that time to pass, we are determined, on the one hand, to make it unmistakably clear that immediate and effective counter measures will be taken against those who violate the peace, and on the other, to wage peace vigorously and relentlessly.

Too often peace has been thought of as a negative condition—the mere absence of war. We know now that we cannot achieve peace by taking a negative attitude. Peace is posi-

tive, and it has to be waged with all our thought, energy, and courage, and with the conviction that war is not inevitable.

Under the leadership of President Truman, the United States is waging peace with a vigor and on a scale without precedent. While the war was being fought, this country took the initiative in the organization of the United Nations and related agencies for the collective and cooperative conduct of international affairs. We withdrew our military forces, except those required for occupation duties, and quickly reduced our military establishment to about one-tenth its wartime size. We contributed generously to postwar relief and rehabilitation.

When events called for firmness as well as generosity, the United States waged peace by pledging its aid to free nations threatened by aggression, and took prompt and vigorous action to fulfill that pledge. We have actively sought and are actively seeking to make the United Nations an effective instrument of international cooperation. We proposed, and with the eager cooperation of 16 other nations, put into effect a great concerted program for the economic recovery and spiritual reinvigoration of Europe. We joined the other American Republics, and we now join with western Europe, in treaties to strengthen the United Nations and insure international peace and security.

#### WORLD TRADE EXPANSION

The United States is waging peace by promoting measures for the revival and expansion of world trade on a sound and beneficial basis. We are preparing to carry out an energetic program to apply modern skills and techniques to what President Truman has called the primitive and stagnant economies of vast areas, so that they will yield a better and richer life for their people.

The United States is waging peace by throwing its full strength and energy into the struggle, and we shall continue to do so.

We sincerely hope we can avoid strife, but we cannot avoid striving for what is right. We devoutly hope we can have genuine peace, but we cannot be complacent about the present uneasy and troubled peace.

A secure and stable peace is not a goal we can reach all at once and for all time. It is a dynamic state, produced by effort and faith, with justice and courage. The struggle is continuous and hard. The price is never irrevocably ours.

To have this genuine peace we must make it clear that armed attack will be met by collective defense, prompt and effective.

That is the meaning of the North Atlantic Pact.

#### THE NATIONAL HOUSING PROGRAM

During the delivery of Mr. WATKINS' speech,

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MAYBANK. Mr. President, as in legislative session, I submit the conference report on Senate bill 1070, and ask unanimous consent for its immediate consideration.

(For text of conference report, see pp. 9129-9140 of the House proceedings of today.)

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. MAYBANK. Mr. President, this is a report on the housing bill passed a short while ago by the House. The report is unanimously approved by the Senate conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. TAFT. Mr. President, did the House accept the number of units provided by the Senate?

Mr. MAYBANK. The Senator is correct. The House accepted the decision of the Senate as to the number a year, and also accepted the Langer amendment.

Mr. LANGER. Mr. President, I understand that the farm provisions were left as they were adopted by the Senate.

Mr. MAYBANK. The Senator is correct, as the \$25,000,000 grant provision which the Senator's amendment increased from \$12,500,000. Some minor concession in other respects were made to the House conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### NOMINATIONS OF JOHN E. SLOAN AND MORGAN FORD

During the delivery of Mr. WATKINS' speech,

Mr. McCARRAN. Mr. President, will the Senator yield to me to present two nominations, which I desire to have considered at this time?

Mr. WATKINS. I ask unanimous consent, Mr. President, that I may be permitted to yield for that purpose, without losing the floor thereby.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARRAN. Mr. President, there was unanimously reported from the Committee on the Judiciary this morning the nomination of John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania, and the nomination of Morgan Ford, of North Dakota, to be judge of the United States Customs Court. The nominations have not been placed on the calendar. In view of the fact that the nominations were reported this morning I must ask for a suspension of the rule respecting the printing of the nominations on the calendar. I now ask unanimous consent that these nominations may be considered out of order at this time.

Mr. DONNELL. Mr. President, reserving the right to object, I wish to say that I was conversing with a messenger and did not catch the opening remarks of the Senator from Nevada. Will he be kind enough to restate them for my benefit?

Mr. McCARRAN. The Senator from Missouri as a member of the Committee on the Judiciary will recall that this morning there was unanimously approved by the Committee on the Judiciary two nominations, one to be United States marshal for the western district of Pennsylvania, and the other to be a judge of the United States Customs Court. The latter is a resident of the State of North Dakota. I now ask, out of order, unanimous consent that these two nominations may be considered and confirmed, without going on the calendar.

Mr. DONNELL. Mr. President, reserving the right to object, may I inquire of the Senator the reason for the re-

quest? There was no statement made, as I recall, in the Committee on the Judiciary this morning, that such action was intended to be taken.

Mr. McCARRAN. That is correct, but because of the situation with respect to appropriation bills, I have great doubt that I, as chairman of the Committee on the Judiciary, can be on the floor either Monday or Tuesday next. I think I will have to be in the Appropriations Committee during those 2 days. Therefore, I believe it to be highly important that the two nominations be considered and acted upon today.

Mr. DONNELL. Mr. President, reserving the right to object, I am sure we would all be very happy to have the distinguished Senator on the floor, and I trust it will be possible for him to be on the floor when action is taken, on the nominations, but it seems to me there is no reason shown for urgency with respect to these two nominations. With all due deference and respect for the Senator from Nevada, for whom I have the greatest respect, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I should like to restate what I said a few days ago with respect to action upon executive nominations. I believe the nomination should be considered in regular order, under regular procedure. I am sure the chairman of the Committee on the Judiciary agrees with me that nominations of Federal judges should be proceeded with under the regular routine. I believe considerable time will be saved if we follow that procedure from now on. I am not speaking, however, only of nominations of judges, but of other nominations. I agreed not to oppose consideration of the nominations referred to by the Senator from Nevada. But, inasmuch as objection has been made by a member of the Committee on the Judiciary, no action can be taken now. In the future, however, I shall have to insist on nominations being considered under the regular procedure, unless an emergency can be shown to exist, and that it is absolutely necessary that action be taken immediately.

Mr. McCARRAN. Mr. President, I wish to say that I consulted the minority leader before I attempted to bring up the nominations. One of the nominees is a Republican, and I thought naturally Republicans would be glad to have his nomination acted upon immediately.

Mr. WHERRY. I agreed with the Senator, but objection has been made by the distinguished Senator from Missouri.

#### THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LODGE. Mr. President, I shall not attempt to duplicate the very excellent arguments that have been made for this treaty by the Senator from Texas and by the Senator from Michigan. In general, I agree with the arguments which they have made, and while I respect the sincerity and the interest and the spirit of devotion which characterizes those who are opposed to the treaty, I must set it down in all frankness that

I think their arguments are very weak, marked by a good deal of false logic, by very inaccurate estimates of the realities of the world situation, and that they are overshadowed by a spirit of constantly taking counsel of one's fears, which is not a spirit which ever makes for success in the conduct of any human enterprise.

For reasons which I have expressed many times in the past, I intend to vote in favor of the ratification of this pact. I think there is wisdom in the argument that if the United States had given a similar notice before World War I and World War II, both of these wars might possibly have been avoided. The great advantage to me of this undertaking is that it does announce what I believe to be a fact, that we will not be uninterested in cases of future aggression on the nations which are signatory to this treaty. The strength of the undertaking lies in the American potential, which is in back of our opposition to aggression, and which tends therefore to make aggression less likely. It is assuredly no panacea for security, and while I hope that it may in the end result in our being able to reduce our appropriations for national defense, it by no means relieves us of the need of military preparedness; in fact, it cannot have any appreciable effect in that direction for some time. But still, in the unhappy event that aggression should occur, the pact should make it more likely that we could meet that aggression successfully.

Then I also agree with the argument that, to reject the pact would be a step fraught with the most colossal danger. To my mind, even if the pact did not begin with the merit that I think it did begin with, the act of rejecting it today would be a most dangerous and irresponsible thing to do.

Now, Mr. President, all the speculation that I have seen rests on the assumptions that war, if it does come, will be in the form of an attack by the aggressor nation on the nations of western Europe. Now, that of course is one possibility, and it should not be disregarded when we are thinking of ways and means to combat aggression. It is the likely probability for the first 5 years of this pact, assuming that war is a probability. But I ask Senators to remember that this pact lasts for 20 years, and when we take a long view, a 20-year view—and I think, as Senators who are about to ratify a 20-year pact, we should take a long view—we must come to the conclusion that the fact that Germany on two occasions tried to conquer western Europe and failed does not seem to be sufficient reason for concluding that another aggressor will repeat the mistake that Germany made twice. There is certainly at least room for the argument that the aggressor of the future, if it desires war, will wait until it has developed its maximum strength, and then will attack the United States first, knowing that once the United States is defeated, the whole of western Europe and the rest of the world will drop like a ripe plum. In either case, of course, the Atlantic Pact is of use, although the degree of usefulness is problematical and subject to difference of opinion. In case of an attack on



western Europe, there will, thanks to the Atlantic Pact, be nations in western Europe which are much better prepared and better organized than would otherwise be the case. In the case of an attack directly on the United States there will, thanks to the Atlantic Pact, be nations in Europe which are bound to us by the ties of the pact, and which would therefore be under an obligation to react as effectively as they could against the aggression which would be undertaken against us.

Just how effective that reaction would be is another matter. It is as certain as anything can be, I think, that the nations of western Europe will never in our lifetime be able to develop offensive capabilities; I mean offensive capabilities in the sense that it will make them able to take the war to the heart of a major aggressor. And to talk of an arms race as a likely development as a result of this pact, which I think has been done here in the last few days, is to me utterly fantastic. In fact, it is almost to be regretted that the nations of Europe are so weak that the possibility of such an arms race is fantastic. In fact, I think we may as well assume that in case of an attack directly on the United States we should prudently assume that we will have to deal with it almost alone. This, in turn, leads to two questions. Is there any nation today which could successfully attack the United States territory? Second, would we be ready to meet such an attack?

Well, the best opinion appears to be that no nation is able to make such an attack on us at the present time, and certainly it is a comforting thought that no nation today can make an effective parachute or air-borne drop on Washington or Boston or Detroit, because it is certainly plain that if such an attack were made today, we would be completely unready to deal with it. Some may accuse me of being visionary and of looking too far ahead when I bring up this possibility. But I submit that it is vital for us here in the Senate to look ahead and to face the worst as well as the best.

As I said before, this treaty which we are about to ratify lasts for 20 years, and certainly imposes upon us, who are, as responsible men, to try to take a 20-year view, and so, if we look ahead, we realize that a large scale air drop on Washington for example, cannot be met successfully by calling out the Military Police Battalion at Fort Myer, which I believe is all we have got here, now, in the way of troops, or that similar attacks on Boston, Detroit, Philadelphia, St. Louis, or Chicago can be met by the three Army divisions and the two Marine divisions, which is what we now have here in the United States. The fact seems to be that incursions of this type cannot be met by troops which have to be transported to the scene of action. They have to be met by troops that are already there. This may well mean a National Guard and universal military training components which are scattered all over the United States, which have it as their prime mission to get to the air fields quickly and start shooting, to prevent parachute attacks from being successful.

Is our National Guard on such a footing today, or is it dominated by the idea of forming infantry divisions as it always did in the past?

Are our young men of military age so organized today?

Are our laws regarding Army property such that these weapons would be readily available?

These and many other questions suggest themselves.

We should also remember that such attacks would be heavily aided by the Communist sympathizers who are at large in this country and whom it appears to be so difficult if not impossible, for our agencies of Government to apprehend and control. This kind of an attack cannot be made successfully without well-organized help on the ground and we must assume that such help will exist. These things require much organization and I assume that such organization work is being done by Communists in this country now, at this very minute, looking ahead to a day, 5 or 10 or 15 or 20 years from now—the duration period of this pact—when the nation which desires to attack us is ready to do so.

I mention all this because, while I am strongly in favor of the pact and think it is a vital step forward in our security, it must not give us a sense of overconfidence and make us lose sight of some of the very stark realities of the situation.

This thought of the underground in America suggests another set of questions, the first of which is, What are we doing to encourage corresponding formations of anti-Communist pro-American sympathizers abroad?

The Senator from Vermont [Mr. Flanders] spoke about the development of the psychological war and taking steps which would be effective in winning a war of ideas. I agree with him, but I did not follow him when he saw some inconsistency between a psychological war and the North Atlantic Pact. It seems to me the two go right along together. One of the great advantages of the pact is that it is a powerful psychological weapon and it is bound to create a sense of solidarity. It does not mean we should not do a great deal more, but I think the argument is very strong that we should at least do this much, because if Communists have their underground here and elsewhere, should we not have ours?

We know that there are literally millions of non-Communist eastern Europeans. We know that they are ardent and eager to work with us and ask only that we provide the leadership and organization. But, of course, we cannot provide leadership and organization unless we have the people who speak their languages, who are familiar with their customs and who also know American techniques. If we had young men of this type, we could organize all those friendly to us abroad and the total would run literally into millions of people.

Ever since my return to the Senate, I have been sponsoring legislation which would authorize the Army to enlist selected aliens who can provide the leadership and control necessary for the organization in case of aggression of that

teeming young pro-American non-Communist manhood in Europe. Last year, the Senate adopted this legislation, but the House did not. It has received endorsement from important quarters, and no one has ever heard a conclusive argument against it.

I submit very sincerely that we will be negligent if we do not organize our friends abroad, at least, as eagerly and as efficiently as the Soviet Union organizes its friends over here, the great difference being that our friends would be organized only for defense.

This does not mean that in the tragic event of a future war we ourselves must not always make our full effort. We would certainly do so. The plan which I purpose has nothing to do with a foreign legion or with an army of mercenaries or anything of that kind. People who say that it is confusing the issues. America will still have to make its full effort materially and will still have to conscript every young man who can serve. But, even after we have made our full effort, we still will need as many allies as we can get; and there in Europe, is one big source of potential allies which we are overlooking.

The North Atlantic Pact is an attempt to develop friendship and solidarity, and the method which I am proposing is another attempt.

If, in case of aggression, we limit ourselves solely to a counter attack consisting of dropping bombs, we will be overlooking a natural human asset in all these anti-Communist Europeans who in many ways can do more for us than bombs can.

I may be wrong but I understand there are 4,000,000 young Russians who are receiving military training at this moment and that they are organized into 200 divisions. We have three Army divisions and two Marine divisions over here. Why do they maintain 200 divisions? It is surely not because they are afraid that the eight or nine French divisions presently in France and the one or two divisions which we have in Germany are threatening them. Senators can answer that question as well as I can.

The ending of the blockade in Berlin, while a good thing in itself, must not blind our eyes to the seriousness of the fundamental factors. What are these factors? First is that the Soviet Union, having mopped up Europe all the way to the Elbe, is now engaged in mopping up the whole of Asia. I imagine that, after China has been taken over, Indochina, the Malay States, and India will not be far behind. We will then confront the possibility of an iron curtain going down between Asia and Japan which will make our position in Japan exceedingly difficult because Japan can only exist by taking the raw produce of Asia, manufacturing it, and then sending it back to the mainland again.

What good does Asia do to the Communists? We hear different opinions on that, but we certainly cannot prudently doubt that in a very few years there will be an enormous source of manpower in Asia which can be regimented and used and turned toward the west. What is American policy with regard to

these developments. What are our plans?

In Europe, we seem to be following policies which are correct. The rebuilding of the European economy and the improvement of the European military effort are all steps in the right direction, and I hope we are pursuing them with sufficient intensity. Certainly the Marshall plan will be a very bitter disappointment if at the end of it Europe is still divided up into watertight compartments. This integration of Europe is very pertinent to the discussion of this pact because one corollary of this pact is military aid to Europe and, in my view, it is clearly impossible for us even to think of arming the nations of Europe by ourselves. If they are to arm themselves, they must develop a dynamic economy similar to that which exists in the United States which will enable them to produce the weapons which they need. Such a dynamic economy can only exist in Europe if there is real European economic integration. It is impossible to determine, with such facilities for getting information as are at our disposal here in the Senate, whether or not this process of European integration is going as fast as it can go. I have faith in Mr. Hoffman. Speaking as an American citizen, I say prayerfully that it cannot go too fast for me.

I heard the discussion today and yesterday on the question of whether a vote for the North Atlantic Treaty is a vote which commits a Senator to vote in favor of a program of armaments for Europe. I will give my judgment on it for what it is worth. I think a Senator can vote for the treaty and is then perfectly free to vote as he wants to on the program of arms for western Europe. But I think it is a very good idea to vote in favor of sending arms to western Europe. I say this in spite of the statement which I previously made that western Europe should try to do most of her arming by herself. But I would not want Europe, even if she could afford to arm herself by her own efforts alone, to do it, because I think there is a great advantage for us in placing some of our weapons and some of our equipment in the hands of the Europeans.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CONNALLY. I should like to ask the able Senator from Massachusetts this question: Is it not true that the testimony from the State Department and other sources was that in the event we adopt an arms program, the countries in the pact, in Europe and elsewhere, will be spending in their budgets from six to seven times as much as we appropriate?

Mr. LODGE. That is absolutely correct, and I am glad the Senator has brought that out. Even if they could carry the whole load of armament themselves, I would not want them to do so, because there is a great advantage for us in having our equipment in their hands. In the first place, they would familiarize themselves with our equipment, and this gives us an advantageous position, insofar as influencing the developing of training is concerned. More-

over, it is very advantageous for us to send a piece of equipment which may be completely obsolete and which we shall probably never use for war purposes to a country which is closer to immediate danger, in which that equipment can be usefully utilized for defense and manned by some citizen of that country. This helps to strengthen those countries which are friendly to us, and, in the large, strengthens our own position.

I realize that may be a difficult concept for some persons to grasp. I realize there seems to be a prejudice to the effect that if we keep all our weapons over here we shall be better off. But let me assure Senators who think in that way that all the lessons of experience and all the teachings of common sense are against it. In the tragic event of a war we need an army, a navy, and an air force. And we need allies. The more allies we have the better. The more efficient and the more successful are our allies the better off we shall be.

I know of one very distinguished American general in the last war who was giving his instructions to the officer who was his agent and representative with a very large foreign country, and he said, "The only instruction I give you is to say to the troops of that foreign country that I want them to be successful." That was the only order he gave, because he knew that the more successful the troops of that foreign nation were the better it would be not only for that foreign nation, but for us, because they would do more fighting, they would be more aggressive, they would make more gains for themselves, and that, incidentally, would take the pressure off our own troops.

I do not think there need be any mystery or any bashfulness or any shamefacedness about sending arms to Europe. It seems to me it is an excellent thing to do. From a legalistic standpoint a Senator can vote for this treaty and not vote for the arms program, but in my judgment we should do both.

Mr. President, I am glad to submit myself to questioning to any Senator who is not agreeable to my viewpoint.

Mr. DONNELL. Mr. President—

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. LODGE. I yield.

Mr. DONNELL. Mr. President, I have great respect for the Senator's knowledge of military affairs and his vast experience. Could he enlighten us at all as to his judgment as to the probable expense to which this country would be put over the next few years, let us say the next 4 or 5 years, in following out the policy which he thinks it is wise to follow, namely, of sending arms to Europe?

Mr. LODGE. It is very hard to make an estimate in dollars, and I would not be able to do it. But I can say that I do not hold with those who say that we are committed to building up a military establishment abroad that is sufficiently large to repel any kind of an aggression which might come. I do not think we

are under any such commitment at all. That would be an enormous commitment, and would run into demands on us, and on the nations of Europe, which I do not think we should be called upon to meet. I do not think there is any such commitment at all.

As I understand, the general idea is that we hope that the nations of Europe will improve the quality of their military establishments, not the quantity, but the quality, in the next year or two, so that those military establishments can successfully deal with any fifth-column movement or any border incident. Then, if it is possible to go ahead and perhaps increase the quantity on a moderate scale, to a point which might enable resistance for a brief period of time in case something bigger took place, that is what I understand to be the general purpose. I do not think there is any commitment in the mind of anyone as to anything that should be done after the first year. From the slight experience which I had with foreign troops, I think it is very unwise to say how much we are going to do, or to make any kind of an undertaking or public announcement, because the minute we do that there is a human inclination to relax and slow down, and then to demand these things as a right. I think we have to work along with the matter from day to day, taking into account what we may have, and taking into account how good a performance the others have made.

Mr. BALDWIN. Mr. President, will the Senator from Massachusetts yield?

Mr. LODGE. I yield to the Senator from Connecticut.

Mr. BALDWIN. Article 9 of the treaty provides for a Council. I read from the article:

The Council shall be so organized as to be able to meet promptly at any time.

The purpose of the Council is set forth in article 9.

The Council shall set up such subsidiary bodies as may be necessary; in particular, it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

Am I correct in my understanding that that council, or none of its committees, is yet organized, pending the ratification of the pact?

Mr. LODGE. I do not know that any of them are organized. My impression is that none of them are organized.

Mr. BALDWIN. If that be the case, then would we not be jumping the gun a little if we immediately acted in Congress in implementation of this pact by approving an arms program?

Mr. LODGE. I think not. I think we could and should go ahead with an arms program, whether we had this treaty or not. We have been trying for some years to encourage Europe to integrate itself militarily. There has been much talk in the Senate about economic integration of Europe, and there has been much encouragement given to the matter of military integration of Europe. More progress has been made in that direction, I think, than in economic integration—or in political integration, in which the progress probably is zero.



Mr. BALDWIN. Then the Senator believes it is not necessary, before we consider an arms implementation measure, that this council should be in existence?

Mr. LODGE. I do not think it need be in existence.

Mr. BALDWIN. Irrespective of the pact, we could promptly carry out a plan for arming or assisting in the arming of western Europe, could we?

Mr. LODGE. We have done so. I have not the figures here, but we have sent a number of supplies to certain nations of western Europe.

Mr. BALDWIN. Does not that indicate to the Senator that the fact that a Senator votes for this treaty does not necessarily commit him to voting for an arms implementation measure, if such a measure is later presented?

Mr. LODGE. It does not commit him at all, because sending arms to Europe is something we did last year and the year before, and is something we should do and would do whether we had this treaty or not.

There are in existence in Europe today the beginnings of a unified European armed force. It is situated at Fontainebleau, about 39 miles southwest of Paris, and is called "Uniforce." They have an outfit called "Unimer" meaning unified naval force, and "Uniair" meaning a unified air force. They are drawing plans for the common strategic defense of western Europe. They have a staff and have made some real progress. There is still much friction and pulling and hauling, but that group is in existence which deals with that particular operation.

Mr. BALDWIN. Then would not the Senator agree with me that there is the embryo of the beginning of an international police force, a thing in which many people believe who are interested in world peace? We have that in embryo now, have we not?

Mr. LODGE. We have so far as Europe is concerned. We have not any concept of dispatching an expeditionary force here and there, which is full of technical difficulties. I think working one of these problems out on the ground, in the light of existing conditions, is the way to handle it.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. LODGE. I yield to the Senator from Missouri.

Mr. DONNELL. The Senator made some reference to a military-aid program for 1 year. I do not recall precisely what he said, but I should like to ask him whether he understands that the obligation under article 3 with respect to mutual aid, in developing and maintaining "individual and collective capacity to resist armed attack," would expire at the end of 1 year.

Mr. LODGE. Oh, no.

Mr. DONNELL. Does the Senator agree with me that the obligations under this treaty will endure for 20 years?

Mr. LODGE. Oh, yes. The Senator from Missouri suggests a confusion which has been demonstrated several times here this afternoon between resistance to armed attack, which is one thing and sending armaments to Europe, which is another thing. The fact that we send

arms to Europe does not, in my view, mean we are actively taking part in resistance to armed attack.

Mr. DONNELL. Article 3, as I read it, provides that the parties "separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack."

Mr. LODGE. Yes.

Mr. DONNELL. The Senator referred to resistance to armed attack. I take it the meaning of "resist" is "withstand"; is it not?

Mr. LODGE. "Withstand"? I think "resist" is a better word.

Mr. DONNELL. Well, the general synonym, is it not, that is applicable to "resist" is to "withstand"?

Mr. LODGE. I am trying to do something to you and you are trying to stop me.

Mr. DONNELL. Yes. In other words, article 3 is the obligation under which, continuously for 20 years, as I understand it is, that the parties by means, not just of 1 year's but by means of continuous self-help and mutual aid, will maintain and then go farther than maintain—develop?

Mr. LODGE. Develop; yes.

Mr. DONNELL. Develop the individual and collective capacity of these parties to "resist armed attack."

Mr. LODGE. I will tell the Senator what I think that means.

Mr. DONNELL. Yes; that is what I should like to have the Senator do.

Mr. LODGE. I think it means first of all that in the case of western Europe those nations must, day in and day out, make their own utmost effort. I think that is what the words "continuous and effective self-help" mean, so far as the nations of western Europe are concerned.

Mr. DONNELL. And "mutual aid"; what does that mean?

Mr. LODGE. That means that there shall be a spirit of unity among the nations of Europe, and disappearance of this petty nationalism, and that the French, the Dutch, the Belgians, and those other nations will really get together insofar as military organization is concerned and help each other.

Mr. DONNELL. Does the Senator exclude from the word "mutual" the United States of America? Does not the obligation of extending mutual aid include an obligation on the part of the United States of America mutually to aid European nations?

Mr. LODGE. Yes, in this sense, that we will be the nation that has the supplies to give out. And so we have the right to say, "If you do not continuously and effectively help yourselves and mutually aid yourselves you are not within the spirit of the treaty and we will not give you supplies." Now, if the nations of Europe had the supplies and it was a question of whether we were cooperating with some other signatories or not, they could do that. The obligation rests equally on Europe, but we cannot get away from the fact that the country which has the "mazuma," so to speak, is going to have something to say respecting whether the terms of the treaty are carried out.

Mr. DONNELL. As was indicated by the statement made by Secretary Acheson, which was read just a few minutes ago, this country today is the only one that possesses this ability to assist the others? That in substance is true; is it not?

Mr. LODGE. It is my hope that we are going to develop more. You cannot develop too many for me. I favor more development.

Mr. DONNELL. But the Senator agrees, does he not, that this country is the only one that has the power effectively to assist, to give material aid, and sustain the other countries along lines?

Mr. LODGE. Well, I will say that in the field of logistics, in the field of equipment, that is unquestionably true. I do not think it is at all true insofar as manpower is concerned; not at all. We cannot do much for them in the way of manpower, and they ought to understand that. In fact, I believe that in the tragic event of another war and if we should have another general mobilization, after the demands of the Air Force and the Navy have been met, I do not see how the Army is ever going to develop more than 35 or 40 divisions. In the past we have always thought in terms of—we have not got up to 100 divisions—but we have talked about having 100 divisions. The idea that this country is a bottomless pit, so far as manpower is concerned, should be completely dispelled.

Let me continue to answer the Senator's question. We will maintain and develop their individual capacity. That word "develop" to me does not mean in any sense of the word that we are going to commit ourselves for 20 years to send them so many guns every day for 20 years. I think the word "develop" means "to improve the organization, or to improve the unity, or to improve the training and the skill and the aptitude of." I think that is what the word "develop" means. We can have a lot of equipment over there and if we do not have the men to use it, or if those who use it are not organized well and do not have courage, the equipment is not worth very much.

Mr. DONNELL. I fully agree that the manpower and the organized ability to handle the arms is, of course, very important, indeed, but the language in the article is very broad, is it not, and not restricted to that? "The parties will maintain and develop their individual and collective capacity to resist armed attack."

Mr. LODGE. To resist.

Mr. DONNELL. So we are not obligating ourselves just to one portion of that development and maintenance. We are undertaking, by means of continuous and effective—both self-help and mutual aid—to maintain and develop the individual and collective capacity of these 12 signatories, ourselves being one, to resist armed attack.

Mr. LODGE. And obviously, to go to an absurd extreme, if we were to send so much equipment over there that we bankrupted the American economy and ruined the United States of America, we would be ruining our own individual capacity to resist armed attack, and therefore we would be going against the terms

of the treaty. You can carry that to such an extent that it will come within the purview of the treaty from the other end.

I yield the floor.

Mr. SPARKMAN. Mr. President, I have submitted today a Senate resolution which I consider to be of great importance. I have submitted this resolution for myself and the following Senators: The Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Colorado [Mr. JOHNSON], the Senator from South Dakota [Mr. MUNDT], and the Senator from Mississippi [Mr. STENNIS].

The purpose of the resolution is not to thwart or oppose the ratification of the North Atlantic Treaty. We accept the fact that the North Atlantic Treaty will be ratified without reservations, and I personally favor such outright ratification of the pact. The purpose of the resolution is to point the way toward a more effective implementation of the Atlantic Pact than that which has been suggested in the military aid program.

We believe that the Atlantic Pact does not go far enough nor deep enough to preserve peace. Inasmuch as the success of the Atlantic Pact will largely depend on the manner in which it is implemented, we intend to use this opportunity to enlarge the frontiers of the Atlantic Pact and use it as a springboard for something far better and more effective. We expect that a substantially larger number of Senators, as well as Representatives, will join this movement for a better implementation of the Atlantic Pact when the military aid bill comes before Congress.

The resolution seeks to achieve a double goal—the ultimate goal of revision of the United Nations and the immediate goal of setting up a nuclear international police force within the Atlantic community.

I have said that this resolution is important. It is of supreme importance to many of us because it outlines what, in our opinion, should be the fundamental objective of our foreign policy, together with practical methods to carry out this objective.

The fundamental objective of American foreign policy must be to fulfill the historic mission of the American Nation, twice attempted. That mission is to use the power of the American Nation and the good will of four-fifths of the world to establish now, before it is too late, the kind of international organization in which no aggressor may veto the peace.

The world lives today in the shadow of atomic catastrophe. The world is divided into two military camps, feverishly rearming for possible mutual annihilation. The world lives in terrifying turmoil, with violent outbreaks of ideological hatreds, destruction of the dignity of the individual, and sporadic wars breaking out in different parts of the world with increasing tempo and intensity.

There are many causes for our era of turmoil—not enough religion, not enough education, economic injustices, and the diseases of our machine age, where gigantic fighting machines are running amok.

But there is one fundamental cause, of the First World War, and the Second World War—a basic cause which, unless removed now, may bring the third world war. That cause is the simple fact that in the community of nations there is no higher law, there is no world judge, and no world policeman to protect the many peaceful nations against the violence of the few. The need for such a world authority has penetrated more profoundly than anything else the consciousness of the American people. The meeting of this need should constitute the fundamental objective of American foreign policy.

The American Nation has twice attempted to fulfill this historic mission, once with the League of Nations and the second time with the United Nations. There are those who say that the American people, disillusioned at the repeated failures of the United Nations, are abandoning hope in the United Nations. We say, Mr. President, that the American people today believe fervently that the hope of the world lies in the United Nations.

They realize only too well that there are certain defects of structure in the United Nations, notably the vicious veto; and they will support any measures designed to remove those defects and to make the United Nations work for peace. They have not given up, and we cannot give up, the belief that peace can come only through an effective international organization against aggression.

And they are right.

We Americans have no choice. Our atomic, economic, and military superiority is only temporary. The Soviet Union is approaching the completion of atomic plants. History has imposed a fateful timetable upon our Nation. We must therefore either conquer the world or conquer war. We must have either an American policeman in every country of the world, or we must have a world policeman. The American Nation has emphatically chosen the way of a world organization against war. It is the only solution of every problem that now plagues the world.

So long as we continue living under the ever-recurring and ever-disastrous rule of power politics, of military alliances, of behind-the-scenes diplomatic maneuvers, and in the vicious circle of the armament race, just that long can there be no settlement of the atomic problem, of the German question, or of the Chinese question. Just that long will there be only a precarious armistice in every land of the world, from India to Argentina.

So long as the United Nations stands paralyzed and impotent to prevent aggression anywhere, just that long will all our other costly sacrifices for peace—the Truman Doctrine, the Marshall plan, and now the Atlantic Pact—be but temporary stopgap measures.

Moreover, we cannot continue forever these costly programs. Presently we are spending approximately fifteen or sixteen billion dollars annually on our own military establishments. We propose to spend between five and eight billion more dollars on foreign-aid programs. We simply cannot continue indefinitely this enormous burden, if we are to avoid national bankruptcy. We all know that about 76 percent of every Federal-budget dollar goes toward paying for past wars or preparation against future wars, the bulk of it to the latter purpose. The outlook for the future is even heavier expenditures.

If by the adoption of the proposed resolution we can create now, with Russia if possible, without Russia if necessary, an overwhelming world collective front open to all nations under a law just to all, we shall lift the back-breaking load of the armament race. We shall solve the problems that arise out of aggression and fear of aggression, and, by firm action now, avert a third world war.

Then Soviet Russia, if still defiant, will face not the United States or its allies in a game of power politics and bluff, but a lawful world authority, backed by the organized might of peaceful nations; and the Moscow rulers will find themselves all dressed up with no place to go. They too will soon discover the advantages of joining peacefully what they cannot fight with any chance of success.

This and no other must be the basic plan of our foreign policy. No other plan could for long avert the catastrophic war. The world today is like a very sick man assailed by various diseases. He has TB, gallstones, an ulcer, a bad kidney, and a toothache. But he also has a hemorrhage. Any Boy Scout can tell us what to do. We must stop that huge social hemorrhage of war and preparation for war, or bleed to death militarily and economically. We can stop this bleeding if we concentrate our efforts on this supreme task.

The distinguished Senator from Michigan [Mr. VANDENBERG] in his eloquent speech last Wednesday called for a "peace crusade" following the adoption of the Atlantic Pact, with urgent search for some means of universal arms limitation. I am in full accord with the distinguished Senator when he says that "this is no time to let this peace momentum lag or lapse." It is to add impetus to his thought that we are submitting our resolution.

There are those who say that it is idle and even Utopian to seek the establishment of a strong international organization to control wars of aggression. "War of aggression," they say, "is part of human nature; it is inherent in human society. War has always existed and always will exist."

No greater error could be made than to accept this moral defeatism as truth. In every one of millions of communities throughout the earth there exists indeed a very effective method, consisting of a judge and a policeman, to keep the peace.

It is true that as recently as the last generation an international organization against aggressive wars could not be successfully established. There were two main reasons for it. First, the weapons



were largely small arms, easily produced by almost any blacksmith shop, and therefore impossible to inspect, control, or eliminate. Second, there were four or five countries of about equal power, each seeking expansion at the expense of the others and each arming for its periodic wars.

Today virtually all decisive weapons are large and complex machines, requiring gigantic plants for their production. They are easily inspectable and therefore controllable on a world level. Instead of four or five states, there is only one state of overwhelming power, covenanted to use this power as part of an international organization.

All that is needed today to achieve such an effective international organization for the conquest of war are specific and yet comprehensive methods. These methods are outlined in the resolution to which I have referred.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a copy of the resolution as it was submitted earlier in the day.

There being no objection, the resolution (S. Res. 133) was ordered to be printed in the RECORD, as follows:

Whereas the necessity for firm, prompt and united defense by nations of the North Atlantic area justifies the purposes of the North Atlantic Treaty, now before the Senate; and

Whereas the effectiveness of the North Atlantic Treaty will depend largely on the manner and methods used to implement it; and

Whereas the best hope for world peace lies in the capacity of the United Nations to fulfill its primary responsibility for the maintenance of international peace and security, and a declared purpose of the North Atlantic Treaty is to strengthen the United Nations: Therefore be it

*Resolved*, That the President be advised of the sense of the Senate that a fundamental objective in the implementation of the North Atlantic Treaty, upon its ratification, should be to seek without delay the revision of the United Nations Charter so that:

A. The paralyzing veto-right in defined matters of aggression shall be removed;

B. The rising threat of the atomic catastrophe be averted and the back-breaking load of the armament race be lifted; and

C. An effective but tyranny-proof international police force be established under a workable Security Council and World Court. In the event that a permanent member vetoes these revisions of the UN Charter under its articles 108 or 109, then, under its article 51, the Atlantic Pact should be supplemented by a world pact for the establishment, within the United Nations, of a larger organization for mutual defense, dedicated to the foregoing objectives and open to all nations; to the end that a united world front of all cooperating nations, in possession of overwhelming atomic and military power, and based on the principle of enforceable law against aggression or armament for aggression, shall avert, by firm action, now, the third world war later; be it further

*Resolved*, That among the immediate objectives in the implementation of the North Atlantic Treaty should be:

I. The establishment, in cooperation with other member states, of an emergency defense force, to be called the Atlantic international contingent, to operate in defense against armed attack as auxiliary to the national armed forces of participating member states.

The international contingent—a balanced land, sea, and air force—should be recruited from volunteers who are citizens of smaller

sovereign states only; 1. e., states not possessing their own large military establishments. It should be a highly trained, well-paid professional force, owing its allegiance to the Atlantic Council. It should be stationed in western Germany or, upon mutual agreement, in special bases provided by the smaller member states. Its use and operations shall not limit the constitutional safeguards or processes of member states, nor commit them to the use of their national armed forces.

A specified part of the moneys, goods, and lend-lease armament, when appropriated by the United States Government in accordance with article 3 of the North Atlantic Treaty, should be expended to help equip and maintain the international contingent.

II. The organization and command of the Atlantic international contingent should be vested in the special defense committee provided in article 9 of the North Atlantic Treaty. The defense committee should consist of seven delegates, as follows:

United States.....	2
British Commonwealth:	
United Kingdom.....	1
Canada.....	1
Latin Europeans:	
France.....	1
Italy.....	1
Other smaller member states (selected to represent them collectively).....	1

The defense committee should act upon an affirmative vote of six out of seven members. The details of representation and voting procedure on the defense committee may be arranged differently, provided the paralysis arising from a requirement of unanimous consent of all member states is avoided.

Mr. SPARKMAN. Mr. President, it is clear from a reading of the resolution that we do not seek a "parliament of man, the federation of the world." It is not yet a federal union of nations, held by ties of democracy. It is certainly not a utopian world state. It is simply a practical attempt to accomplish now, on a world level, what was accomplished thousands of years ago in millions of villages, and that is peace, lawfully enforced.

A year ago, with several other Senators, I sponsored a concurrent resolution in which we proposed the same ABC plan for revision of the United Nations Charter that is being proposed in part I of the present resolution. Anticipating a probable veto by the Soviet Union of these just and indispensable revisions of the United Nations Charter, we provided for the establishment, under article 51 and within the United Nations, of a world organization for mutual defense with its own veto-free council and court, backed by its own international police force. We urged the administration to adopt the ABC plan. The State Department then strenuously objected that such an attempt would not only cause the collapse of the United Nations but might be interpreted by Soviet Russia as an unfriendly act.

Today the State Department has gone much further. It is vigorously supporting the Atlantic Pact, which has been interpreted by Soviet Russia as a most unfriendly act—an exclusive military alliance obviously directed against her.

It follows that the objections of a year ago are no longer valid today. Moreover, our resolution leaves the door wide open to a peaceful Soviet Russia and offers to

her immediate and guaranteed protection against aggression, together with the elimination of the atomic threat and armament race, on exactly the same conditions as for the United States. We offer to Russia the choice of a revised United Nations under article 108 or 109 with her as a partner; or, should she decline this choice, compelling the rest of us to form a defense organization within the present UN under article 51, we are still prepared to have her join us later on the same conditions.

Mr. President, if article 51 is good enough for a military alliance of 12 Atlantic nations, how much more noble and practical it would be to use the same article 51 for a world pact under a lawful authority open to all.

This is the deeper sense of part I of our resolution, which seeks to extend the Atlantic Pact into a world pact. It is a decisive answer to Soviet Russia, a guaranteed peace if the Moscow rulers want it; or if they have other designs, a mutual defense pact of the rest of the world in the name of a higher law with an impartial world judge and an unchallengeable world policeman.

The second part of our resolution deals with the specific and immediate problem of the military organization and aid for mutual defense of the Atlantic community. The contingencies in helping to equip and organize effectively the armed forces of a dozen sovereign states, some of which are subject to violent internal fluctuations and Communist infiltration are uncertain. They are particularly uncertain in the face of a monolith Moscow state and its satellites under one iron dictatorship. Unless we take steps to meet these contingencies, we risk losing much of the security benefits of the Atlantic Pact.

The concept of the Atlantic contingent in the resolution is designed both to meet these contingencies and to serve as the nucleus of an effective and workable international police force. The Atlantic contingent, together with the defense committee provided in article 9 of the pact, would go far to create, "on a regional basis, a community of states," as the distinguished Senator from Utah [Mr. THOMAS] suggested day before yesterday in his very excellent address.

The Atlantic contingent is not only a sound economic investment but a sound military concept, as demonstrated by the past experience of similar professional military forces. Here are some of its obvious advantages:

**Practicability:** The international contingent would be a superbly equipped professional body, hand-picked from volunteers of the smaller nations all over the world. It could be quickly organized from the already available trained manpower in Europe—in smaller member-states, Poles, DP's, and so forth. Yet the constitutional limitations of member-states would be preserved, while the collective strength of their armed forces would be greatly increased.

**Public opinion:** First, the Atlantic international contingent in case of war will save many American lives, by tapping on a voluntary basis the vast manpower resources of smaller nations—resources hitherto poorly utilized. It will save

British, French, and Italian lives. It will also reduce the shock of initial attacks on the troops of occupation of the United States and its allies.

Second, to smaller nations, the international contingent will represent for the first time a dependable, powerful, organized force for their own collective defense. The smaller nations, which individually are impotent, can thus be integrated into a collectively great power.

Third, the Atlantic international contingent will appeal to peace groups everywhere as a trained nucleus that could easily be extended into a powerful and tyranny-proof world police force.

United States defense: Since it will be largely equipped by American lend-lease, and since the structure of the defense committee would preclude its use without the affirmative vote of the United States, the international contingent would in effect become a dependable, additional force of the United States armed forces.

Since members of the international contingent are independent of national governments, it will reduce the possibility of any European states blocking effective operation of the North Atlantic Treaty for reasons of internal politics or Communist infiltration.

Economy: The money and lend-lease expended by the United States for the international contingent will be controlled, not by other governments, but by the defense committee, in which the United States has a substantial voice. In this manner, effective military return on American investment will be guaranteed in large part.

Furthermore, much of the military equipment for the international contingent and for the armed forces of European members could be produced under the defense committee at greatly reduced cost, by utilizing the industrial resources of a revived Germany—and without risk, since the international contingent could, alone or jointly with national troops of occupation, be an effective army of occupation as long as necessary.

European defense: The demands by France and other European nations for large peacetime American forces in Europe will be satisfied through the Atlantic international contingent.

The German problem: The fear by France and other nations of a revived Nazi militarist Germany will be removed, because even though the international contingent may eventually contain a number of German volunteer divisions, these would be dispersed and under the operative control and command, not of any German government, but of the defense committee under the Atlantic Pact. And as for Soviet Russia, nothing could contribute more to putting her in a conciliatory mood than the presence of a strong force in being, prepared for any emergency.

Whatever objections may be raised against this force in being, there is so much at stake that it would certainly seem advisable to organize in this manner even a small task force, as a test. We believe that the outcome of such a test would be the beginning of the development of a true international po-

lice force—without which no effective international organization is possible or conceivable.

In conclusion, Mr. President, I point out that our resolution is extremely simple, although, if adopted, its effects might well result in the greatest revolution in history—the establishment of secure conditions for lasting peace.

Humanity has twice in the twentieth century attempted to establish an effective international authority to restrain aggressors. We must not repeat in the implementation of the Atlantic Pact the same tragic errors that wrecked the League of Nations and now paralyze the Security Council of the United Nations. For the third and perhaps last time there exists a historic opportunity for the United States to help create, through the Atlantic Treaty now, and subsequently through a revised United Nations, an international organization of irresistible spiritual, legal, and military authority. This organization must be so designed that no peaceful nation, whatever its form of government, may be excluded or threatened; and that no government may be permitted to rearm for aggression with impunity or attack a divided world with any chance of success.

In the words of a distinguished American:

The American Nation can do what no other nation has ever done before. In the past, rulers of nations used to declare war upon each other. But the American Nation can declare peace on the world.

Only it must be done now, Mr. President, and it must be done here.

#### THE FBI'S CONFIDENTIAL FILES

Mr. HENDRICKSON. Mr. President, in the June 27 issue of the Washington Star, there appeared a very interesting and enlightening article by Rex Collier entitled "The FBI's Confidential Files." In this story, Mr. Collier tells the public why rumors as well as facts go into those files and why their disclosure was a setback for Mr. Hoover.

Again, in the June 28 issue, under the same caption, Mr. Collier shows how the decision to release certain secrets at the Coplon trial shut off vital sources of information.

In fairness to a great administrator and a great American, Mr. J. Edgar Hoover, I hope every Member of the Senate will read these articles, so that any bias which has developed since the Coplon trial will be banished from our minds.

Mr. President, I ask unanimous consent that both these articles be inserted in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of June 27, 1949]

THE FBI'S CONFIDENTIAL FILES—WHY RUMORS AS WELL AS FACTS GO INTO THEM, AND WHY THEIR DISCLOSURE WAS A SET-BACK FOR HOOVER

(By Rex Collier)

The Federal Bureau of Investigation has had many set-backs in its long and sometimes sanguinary warfare on public enemies, but none of more jolting impact than the

disclosure of its confidential files at the Coplon trial.

When Attorney General Clark decided to overrule Director J. Edgar Hoover of the FBI and to permit the introduction in court of voluminous investigative records, he was assuming a tremendous responsibility. To Mr. Clark it was a choice between two evils. Either he must agree to the introduction of all the Government's evidence, as required by Judge Reeves, or he must drop the prosecution of a case which has aroused wide public interest.

In choosing to continue the prosecution, the Attorney General evidently felt that Mr. Hoover was attaching too much importance to the sanctity of FBI files—or at least to the particular files involved in the Coplon case.

That Mr. Hoover attaches great importance to this matter of safeguarding the integrity of the agency's files there can be no question. To him the very integrity of the FBI, to say nothing of its future usefulness to the Nation, depends on the integrity of its files.

#### A BODY BLOW TO INTEGRITY

And, to the FBI, the release of its confidential memoranda, reports, and other documents—including information from unreliable as well as reliable informants—was a body blow to its traditional integrity. It was more than that. It was a potentially devastating shock to its whole modus operandi. For many of the FBI's famous cases have started with a tip by a "confidential informant." The Bureau has learned by experience that it cannot afford to overlook—or to reject as palpably preposterous—any report or any rumor or any "spite gossip" that may come to it. Even seemingly slanderous "spite gossip" at times has turned up spies or dangerous criminals.

Director Hoover objected strenuously to the release of his files because he was certain it would have two disastrous effects: First, the fear of publicity would deter citizens from cooperating in the future with the FBI in providing leads for investigation; and, second, the release of confidential files involved disclosures, or the threat of disclosures, that would shut off immediately certain sources of information of inestimable value in protecting the Nation's security.

The FBI will not comment, of course, on what sources of information have been closed to it as a result of the decision to let the files become a public record. Revelations in the New York trial of 11 Communist leaders show, however, that the FBI has had undercover agents within the innermost circles of the Communist Party. Seven such agents, by their own consent, have taken the witness stand and given damaging testimony against the obviously surprised and outraged defendants. The fact that the FBI was willing to sacrifice these seven sources indicates that it felt it had sufficient additional sources to offset the losses. But the Bureau did not anticipate that there would occur in another court an action that would pose the threat of further serious losses, through defection of informants.

#### IMPORTANT CONTACTS LOST

It is reported that such defections in considerable numbers already have occurred. It was hinted at the Coplon trial that the FBI even had a confidential informant inside the Russian Embassy. The gravity of the loss of such an important channel is apparent, in view of the disclosure in the Canadian inquiry into Russian espionage that Soviet embassies and legations are headquarters of Moscow-directed spy rings in democratic countries.

Most of these "contacts" have been established only after years of painstaking effort. It takes a long time for an FBI undercover agent to insinuate himself into a position of trust in an espionage ring or a criminal gang. The lives of such informants are in



constant peril. Any serious threat of exposure is enough to end their usefulness as far as the FBI—and the Nation—is concerned. And the task of building up new sources of information becomes difficult, if not virtually a hopeless one, if informants cannot be guaranteed protection from exposure.

There was a third reason why Mr. Hoover objected to the opening of confidential files in court, and it is this reason which is related to the criticism which has been directed at the FBI by Dr. Condon and others. Mr. Hoover knew that there were in these files not only established facts but a mass of "unevaluated data"—tips, rumors, innuendoes involving persons not under investigation but whose names were mentioned in the course of interviews regarding other persons or matters, or that came to the FBI from suspicious neighbors, in anonymous letters, or in other ways. He protested against the spreading of this unsubstantiated information on the public records and hence on the front pages of newspapers.

Mr. Hoover believes that all this information, however inconsequential or unreliable, has a right to be in the FBI secret files and that it should remain there, secure from the eyes of everyone except FBI investigators.

#### ALL TIPS ARE ACCEPTED

He believes, moreover, that he has no right to refuse to receive any tip or listen to any rumor or to consider any anonymous communication, regardless of how fantastic it may seem to be or may prove to be. He is convinced that it would be wrong—in fact, dangerous—to give any investigative official arbitrary power to discriminate as to what information he will receive and act on or what person he will investigate. To permit such discretion, he sincerely believes, would destroy the objectivity of any agency and would open the way to investigative laxities and abuses that should not be tolerated.

It is true that under the no-discrimination policy considerable information gets into the files that is useless because of triviality or irrelevance. The FBI agent operates much like a news reporter. He questions many persons, takes many notes, and then makes a report. He is trained to report even the most insignificant thing, on the ground that small things sometimes supply missing parts to a bigger picture.

The FBI has been criticized for having in its files material manifestly extraneous to the subject under investigation, as in the case of a Coplon-trial paper mentioning the nude meanderings of a certain couple. But extraneous or even absurd statements by a person informing on another often provide a measure for evaluating the reliability of accusations. In one instance, for example, a citizen reported her suspicions that a Government employee was a Communist. When an agent sought her reason for the suspicions, the woman said the man in question must be a Communist because he paid no attention to "Keep off the grass" and other signs. The FBI investigation resulted in the clearing of the employee under the loyalty program.

#### A MATTER OF JUSTICE

Thus, the FBI agent would be unfair to the person under investigation if he chose to report only information tending to support a charge of disloyalty or criminality. Nor would the record of the case be fair to the suspect if only unfavorable data were included.

Dr. Condon has suggested that some limit should be placed on the time allowed for retention in the FBI files of "unevaluated" information. How could such a safe time limit be determined? If it were set at 6 months, the possibility might arise that in the seventh or eighth month some other piece of evidence might turn up to corroborate an "unevaluated" report no longer in the files. If a search of the files failed to show any previous

record, the second report might become a useless bit of information, itself to be discarded after 6 months. Unfortunately, not all information bearing on a subject comes to the Bureau simultaneously. One piece of the pattern may be picked up this year, another piece or two next year, before the jigsawlike picture becomes clear.

[From the Washington Evening Star of June 28, 1949]

#### THE FBI'S CONFIDENTIAL FILES—THE DECISION TO RELEASE CERTAIN SECRETS AT THE COPLON TRIAL SHUT OFF VITAL SOURCES OF INFORMATION

(By Rex Collier)

Indignation over the publication of "unevaluated" FBI reports at the Coplon trial has resulted in demands for an investigation of FBI methods and policies. There is no need for such an investigation. There is nothing unique or mysterious about FBI investigative methods. Nor are its policies dark and sinister.

The FBI is investigated regularly by competent committees of Congress. Twice each year Director J. Edgar Hoover personally appears before the Appropriations Committees to justify his requests for funds. More often than not the Senators and Representatives direct a cross-fire of searching questions at Mr. Hoover and his assistants. They ask questions which would be grossly embarrassing if the methods and the policies of the Bureau were dark and sinister. Mr. Hoover answers all questions freely and frankly, sometimes requesting that his answers be received "off the record." Members of the committees have found no indication that Mr. Hoover aspires to or approves of police-state methods. They have found no evidence to support recent loose charges that the FBI has become, or is in danger of becoming, an American Gestapo.

#### OPPOSES FEDERAL GESTAPO

There is no stronger opponent of a great central Federal police agency than Mr. Hoover. Repeatedly he has opposed suggestions that his Bureau be expanded to include all Federal investigative agencies. He does not believe that Federal police functions should encroach on local police authority in any way.

Because Mr. Hoover so strongly rejects Gestapo methods, he can see no merit whatever in the contention that the FBI should exercise discretion in its investigations. He once told a prominent editor that if the FBI ever embarked on a policy of deciding for itself which suspects to investigate and which not to investigate, what information to receive and what to reject, then there will be cause to fear that it has become a Gestapo.

The prestige of the FBI has been built on its record of nondiscrimination, on its objectivity. No citizen is so distinguished to warrant rejection, without investigation, of a charge against him. No person is too unimportant to gain a hearing if he has something to report to the FBI.

It was an anonymous letter to the FBI which ultimately led to the arrest and conviction of Maj. Gen. Bennett Meyers for subornation of perjury. The letter made such seemingly farfetched charges against the prominent Air Force officer as to indicate spietwork. Mr. Hoover read the letter and, under the prevailing arrangement with the armed forces, forwarded it to the Air Force. It later was brought out that a top-ranking officer, convinced of General Meyers' innocence, threw the letter in the wastebasket. Many months later the case broke from another source. General Meyers might have gone to jail a lot earlier had the information in the anonymous letter been properly checked by the Air Force. (The Air Force has arranged with the FBI to conduct such investigations for it in the future.)

#### HEARSAY TRAPPED SPIES

Numerous spies were caught during the war as a result of rumors and hearsay which the FBI took note of and investigated. Some of the tips were of a sketchy and apparently crackpot variety.

A woman reported that she suspected a neighbor of being a spy. Her only reason for such a grave suspicion, she admitted, was that although he was supposed to be a doctor, she never saw him carry a bag. The agent might have dropped the matter right there, as he had a lot of important things to do, but he decided to check further on the doctor. The man did, indeed, turn out to be a German agent. He was arrested and convicted.

At a dinner party Mr. Hoover was told by a prominent motion-picture actress that she suspected a man "down the street" from her home of espionage. She was unable to explain her suspicions, except that the man just "looked like a spy." The actress was right. The man was operating a short-wave radio in his cellar.

A tip that helped the FBI to round up and convict seven members of a German spy ring in Detroit came from a woman who overheard the husband of one of the spies make a remark indicating his admiration of Adolf Hitler.

An anonymous communication to the Los Angeles office of the FBI told of a man with a German accent who stayed out all night frequently. The tip led to the arrest and conviction of a German agent.

#### A LANDLADY'S TIP PROVED GOOD

One member of the notorious 33-member German espionage ring uncovered by the FBI in New York and vicinity early in the war was arrested as a result of a landlady's tip that one of her roomers was typing and mailing letters at all hours of the day and night.

If FBI agents had followed their impulses, some of these tips might have been laughed off as worthless. Some of the tips did not produce anything tangible until long after they went into the files. Then, as some new report came in, they began to make sense.

There is nothing unusual or unethical about the practice of accepting tips from regular informants or from citizens generally. All law-enforcement agencies do it. And every law-enforcement agency has in its confidential files unevaluated information of the type made public at the Coplon trial.

If the FBI were to be restricted on the sort of information it could accept and enter in its records, its efficiency as the Nation's chief bulwark against foreign espionage would be greatly impaired. And if such restrictions were proper for the FBI, they would be proper also for the Central Intelligence Agency and the naval and military intelligence branches. The effect would be to hamstring our security forces in a most dangerous way.

The decision to compromise certain of his secret files was not Mr. Hoover's. He did not even tacitly agree to the decision, despite reports to the contrary. He was as shocked as anyone that his objections were overruled by the Attorney General. He had successfully resisted all previous efforts to pry confidential matter from the files. Even loyalty boards have been denied access to such material—although careful abstracts have been supplied.

#### HOOPER WILL NOT QUIT

He was shocked, but he does not intend to resign.

How grave the publicity decision will prove to be cannot be gaged until all the repercussions are known. Perhaps some of the undercover informants who have not been heard from since the files became public will resume their work. Perhaps more will quit or will disappear. The fact that the informants were identified by code letters and numbers did not guarantee protection, for the

information supplied often was so detailed as to names, dates, and places as to enable the subject of the investigation to identify the person who informed on him.

One thing is certain: It will not be easy in the future to induce citizens to give information to the FBI, however vital it might be to the national security. In the past the FBI could assure such informants that the sources of information would never be disclosed without their permission. Now the FBI cannot give such a guaranty.

The decision to proceed with the Coplon trial was in the nature of a calculated risk. Mr. Clark thought the risk was worth taking. Mr. Hoover did not. Only time will tell which view was right. But enough has happened to date to indicate that the decision was a costly one as far as the FBI and its future efficiency are concerned.

#### INCREASE IN AUTHORIZATION FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. MAYBANK. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 114, to provide an increase in the authorization for the Federal National Mortgage Association.

I may say that the joint resolution was reported unanimously yesterday by the Banking and Currency Committee. I make this request at this time because the Federal National Mortgage Association, commonly known as Fanny May, is without any additional authorization to purchase mortgages from lending institutions which require a secondary market for their FHA and GI mortgages.

I have discussed this matter with both the majority leader and the minority leader. Inasmuch as the joint resolution was reported unanimously by the committee, I wonder whether we can take it up at this time, as in legislative session. I request that we do so, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, is the permanent legislation now—

Mr. MAYBANK. The permanent legislation, as I recall, authorizes the FNMA to use a billion dollars, as the report shows. As of today, FNMA has used all its authorized funds.

This joint resolution is an authorization for an additional \$500,000,000 for the purchase of mortgages.

Mr. WHERRY. But I mean to say there is permanent legislation which finally will provide—

Mr. MAYBANK. This joint resolution merely authorizes an additional \$500,000,000. It increases the FNMA's authorization and permits the RFC to make that amount available to FNMA.

Mr. WHERRY. Does this measure require an appropriation?

Mr. MAYBANK. No; it does not. It requires no appropriation.

I may say that an attempt was made to incorporate this provision in the housing bill, Senate bill 1070, which was passed by both Houses after conference, but one of the House conferees made a point of order against it on the ground that it was not included in the bill as originally passed by the Senate or the House, and was therefore not a proper matter for the conferees to consider.

For that reason, it was not placed in the housing bill. I understand that the House of Representatives Committee on Banking and Currency will hold a hearing on this matter on Monday.

Mr. WHERRY. Let me ask the distinguished Senator how many members of the committee were present at the meeting. The Senator has said that the resolution has been reported from the committee unanimously.

Mr. MAYBANK. The subcommittee on the RFC, of the Banking and Currency Committee, was meeting in connection with a bill relating to the RFC, introduced by the Senator from Arkansas [Mr. FULBRIGHT]. All the members at that meeting agreed to the measure, and we polled the other members of the committee after explaining the provisions of the bill to each member. While the full committee did not meet formally, every member of the committee received an explanation of the joint resolution and agreed to report favorably.

Mr. WHERRY. So the report is unanimous. Is that correct?

Mr. MAYBANK. Yes. The Senator from Ohio [Mr. BRICKER] was not there, but he has been asked about it.

Mr. WHERRY. But he has approved the joint resolution; has he?

Mr. MAYBANK. Every member of the committee has.

Mr. WHERRY. I understand that. I know about the measure, because I was very much interested in the secondary mortgage market which might be made available.

Mr. President, I have no objection to the present consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina for the present consideration of Senate Joint Resolution 114?

There being no objection, the resolution (S. J. Res. 114) to provide an increase in the authorization for the Federal National Mortgage Association was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

*Resolved, etc.* That section 302 of the National Housing Act, as amended, is amended to read as follows:

"Sec. 302. The total amount of investments, loans, purchases, and commitments made by the association shall not exceed \$1,500,000,000 outstanding at any one time. The association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this act or any other provision of law."

Sec. 2. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$2,000,000,000" and inserting in lieu thereof "\$2,500,000,000."

#### THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LUCAS. Mr. President, it is 15 minutes of 5. I presume no other addresses are to be made upon the pact today, and I presume no one else desires to address the Senate. The best thing we can do probably is to take a recess.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Texas.

Mr. CONNALLY. Am I correct in understanding that the Senator does not contemplate that there will be a session of the Senate tomorrow?

Mr. LUCAS. That is correct.

Mr. CONNALLY. If there is to be no session tomorrow, I merely wanted to express the hope that Senators who expect to speak on the pact will be ready to proceed on Monday. It is of vital importance that this matter be acted upon as promptly as possible. I do not want to hurry anybody, I do not want to push anybody, but it seems to me that by Monday, Senators who expect to address the Senate should be prepared to proceed with their speeches. We want to vote as early as possible on the treaty, and it will not inconvenience any Senator to brush up on the subject between now and Monday.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. MORSE. I should like to say to the majority leader that I shall be very happy to cooperate with him in obtaining a unanimous-consent agreement to vote on the treaty some time soon.

Mr. LUCAS. I appreciate very much that statement, coming from my distinguished friend from Oregon. On Monday I shall attempt to obtain a unanimous-consent agreement. It seems to me we should get a unanimous-consent agreement to vote on the pact not later than Tuesday.

Mr. WHERRY. Mr. President, now that we are getting into a realm of unanimous-consent requests, I am very glad the distinguished Senator from Oregon has made his observation. I have already told the majority leader I would cooperate with him. But I think the unanimous-consent request, if it is made, probably should be made Tuesday. I believe we might have an opportunity to obtain an agreement then.

Mr. CONNALLY. Does the Senator mean he believes it would be possible to get a vote on Tuesday, or that it will be possible to get a unanimous-consent agreement?

Mr. WHERRY. I mean I believe it will be possible to get a unanimous-consent agreement Tuesday to vote at whatever time is agreeable.

Mr. LUCAS. I hope it may be possible to have all the speeches finished on Monday.

Mr. WHERRY. I can satisfy the majority leader that the full afternoon, Monday, will be taken up by Senators on this side of the aisle.

Mr. LUCAS. We cannot keep any Senator from making any kind of speech he may want to make, whether it is on the pact or on some other subject.

Mr. WHERRY. I assure the majority leader that I shall do everything in my power to cooperate.

Mr. LUCAS. I thank the Senator from Nebraska. The distinguished minority leader cannot control individual Senators, any more than can the Senator from Illinois, although sometimes we



both think we can, only to find that we are both mistaken.

Mr. BALDWIN. Mr. President, may I put a question to the distinguished majority leader?

Mr. LUCAS. I shall be glad to answer.

Mr. BALDWIN. Does the junior Senator from Connecticut correctly understand, then, that there will be no vote on the pact on Monday?

Mr. LUCAS. It appears now there will not be a vote on it on Monday. I hope we may be able to discuss in the Senate the question of obtaining a unanimous-consent agreement to vote on Tuesday, or perhaps on Wednesday. I should hope we might be able to vote on Tuesday.

Mr. BALDWIN. I thank the Senator.

Mr. CONNALLY. Mr. President, if the Senator from Illinois will yield, he does not mean to say to the Senator from Connecticut that he will guarantee there will not be a vote on Monday, does he?

Mr. LUCAS. No; I do not mean to guarantee anything.

Mr. WHERRY. I think I can guarantee it, because I am satisfied there will be so many speeches that there cannot be a vote on that day.

Mr. CONNALLY. I am not opposed to voting at that time.

Mr. WHERRY. I understand.

Mr. LUCAS. I cannot predict; but, if no more speeches were to be made, the vote might come then.

The PRESIDING OFFICER. Does the Senator from Illinois desire to take up the consideration of the Executive Calendar?

Mr. LUCAS. Before we do that, I understand the Senator from Louisiana has a few remarks he desires to make on some very important question, and I shall yield the floor, if he so desires.

BASING-POINT PRICING SYSTEM—S. 1008

Mr. LONG. Mr. President, I rise to speak briefly with regard to Senate bill 1008, the bill to legalize the so-called basing-point pricing system. When this bill was passed by the Senate I stated that not only had I voted against it but that I feared the antitrust laws would be seriously weakened by the passage of such legislation. Fortunately for the little-business man of America, two amendments offered by the Senator from Tennessee [Mr. KEFAUVER] were adopted by the Senate which would have the effect of protecting the little-business man from wanton destruction at the hands of the monopolistic enterprises of America.

The arguments for the legalization of the basing-point system and for the legalizing of all freight absorption have been based on the contention that there was confusion in the law and that the little-business man did not understand where he stood. It was thus argued that we should clarify the law; but, Mr. President, the battle over Senate bill 1008 did not come over the clarification of the law. It came over the devious efforts of the great industrial giants of America to destroy the antitrust laws and the resistance that they have met from those who understand the plight of the small-business man of America. As Senate bill 1008 read prior to the adoption of the Kefauver amendments, there was no

doubt but that 20 years of antitrust work which had been conducted by Congress, the Federal Trade Commission, and the courts, was being set aside. Let me give a simple example of what this bill would have permitted.

Prior to the Robinson-Patman Act, congressional investigations disclosed that manufacturers and suppliers of groceries, for example, were selling to the great retail chain stores at a price below their ordinary wholesale prices. Picture the position of an independent merchant who was located down the street from the chain store. His wholesaler was having to purchase supplies, which were in turn sold at a mark-up to the retailer, at a price far higher than that paid by the chain stores. In some cases it had been shown that the chain stores were acquiring their products at a price as much as 30 percent lower than the small independent merchant.

Yes; we had antitrust laws at that time. We had the Sherman Antitrust Act and the old Clayton Act, neither of which were of the least benefit to that small merchant who was being driven out of business. Why, Mr. President? Because invariably, every time an attack was made upon these discriminatory practices, the suppliers argued that they were meeting competition in good faith in order to get the business of the chain stores; and the meeting of competition in good faith was a complete defense at that time.

Now was not that wonderful for the small independent merchants of America? All the great manufacturers and processors of food were in good faith. What wonderful faith they were in. They were simply destroying all the small merchants of America in order to meet competition in getting the business of the chain stores. Should good faith be a complete defense to such a practice? Should it be considered as being in good faith when the independent merchants of America are being destroyed? Certainly Congress did not think so in 1936 when it passed the Robinson-Patman Act.

Now, how had the Robinson-Patman Act changed this situation? Well, the Robinson-Patman Act provided that there can be no such discrimination in price regardless of the element of good faith when the effect—get these words, Mr. President, the effect—when the effect might be to injure, destroy, or prevent competition. Thus began the first successful efforts by the independent merchants to save themselves from destruction at the hands of the chain stores. This was no hastily considered law, Mr. President. This was a culmination of a battle that raged for many years. This was a culmination of careful congressional investigations.

With the protection of this law the small-business man was given relief, but it took more than just the Robinson-Patman law to save the small-business people of America. It also took vigorous enforcement by the Federal Trade Commission and the Department of Justice. Unfortunately, Congress has been too niggardly in the appropriations for the Department of Justice and the Federal Trade Commission, with the result that

these big monopolies have been able to continue their vicious practices year after year since 1936; but we are beginning to get results, Mr. President; and I submit that there is no better proof of the fact that results are being obtained in the fight against the great monopolies of America than the fact that the monopolies are here on their knees at this session of Congress, beseeching us to subtly destroy the Robinson-Patman Act.

What brought this about? Well, for one thing, the Morton Salt Co. case, decided by the Supreme Court, forcefully announced that a manufacturer in discriminating between a big purchaser and a small purchaser was limited in the amount of favoritism he could show the large purchaser to factors such as difference in cost of production. And then only this year the great Oil and Gas Trust took a shocking defeat in the Circuit Court of Appeals in the Standard Oil of Indiana case. I was informally advised by Mr. Bergson, of the Department of Justice—and I might pause here to say it is passing strange to me that the leading antitrust attorney in the Justice Department should be one of the foremost authorities for destruction of the antitrust laws—as I was saying, I was informally advised by Mr. Bergson that he considered the Standard Oil decision bad law and that he believed it should be set aside.

Now what were the facts in the Standard Oil of Indiana case? As I understand them, they boil down simply to this: The Standard Oil Co. was selling to four concerns in Detroit, whom it chose to describe as jobbers, gasoline at 1½ cents below that at which they were selling gasoline to all the other filling stations.

Thus the other filling stations were being driven out of business. If this practice had not been restrained, there was no hope for the independent filling-station operators to survive, because the mark-up of a gallon of gasoline is only about 3 cents. So a complaint was filed before the Federal Trade Commission on the ground that it was unfair for Standard Oil to sell to a few stations far below the price at which it was selling to the others.

What was the defense of the Standard Oil Co.? What was their answer to this practice which was going to destroy independent filling-station operators by the hundreds and possibly by the thousands? You guessed it, Mr. President. The defense of the Standard Oil Co. of Indiana was those two wonderful words "good faith"—meeting competition in good faith. Standard Oil said that if they did not give such extraordinary discounts to a few stations their competitors would probably get the business at the same price.

Mr. President, I certainly would not be against Standard Oil lowering the price of gasoline. I would be tickled pink to see it done, but I say if they are going to lower the price of gasoline they should lower the price of gasoline for everybody, not lower it for four or five concerns in order to permit them to drive everybody else out of business. And, parenthetically, I would state that when the independent operators are driven out

of business a very odd thing has usually happened—namely, as the banks foreclose on the mortgages of these little filling-station operators the big oil companies bought the stations at foreclosure sales for a mere fraction of the actual investment.

So the United States Circuit Court of Appeals decided, and I think correctly so, that it was no defense that the Standard Oil Co. of Indiana had a dancing partner who was willing to do the same thing, that it made no difference whether they were meeting competition or not, that did not justify this unfair discrimination against the rank and file of filling-station operators under the terms of the Robinson-Patman Act.

Unfortunately, Mr. President, the independent retail filling-station operators and the independent grocers of America celebrated their victory too soon, because while they were celebrating, the Oil and Gas Trusts, the Steel Trust, the Cement Trust, as well as the other great monopolies of America, were combining their power, not for another legal battle, they had been to the courts often enough; they knew what the courts would do, but for a subtle battle in Congress in the attempt to clarify the law.

Here we get down to the meat in the coconut. Is there anybody who really believes that the power behind the drive to pass Senate bill 1008 is to clarify the law? If that were the case we would not have seen the heated battle that occurred yesterday on the floor of the House of Representatives. No, Mr. President, this is a move to destroy the law, not to clarify it; and the No. 1 law for destruction is the greatest law ever passed for the protection of small-business people, the Robinson-Patman Act.

Without the Robinson-Patman Act the Standard Oil and Gulf Companies, for example, could decide that they were going to sell gasoline to the one largest filling station in each city of America at a price exactly one-half of that at which they would sell to anyone else in the city. Not one other filling station in those cities could survive such competition, not because they were inefficient, but only because they would have to pay an impossible price for the gasoline which they sold at their pumps.

Senate bill 1008, as amended by the substitute of the senior Senator from Wyoming [Mr. O'MAHONEY], would have made the argument of meeting competition in good faith a complete defense to any antitrust prosecutions. There really should not be any doubt about this, Mr. President. No one should be confused, because prior to the time the Robinson-Patman Act was passed, this type of thing was what actually did happen. We would have no difficulty in determining how the law would work because we know how it did work before the Robinson-Patman Act was passed. Some will argue that the Sherman Act might save the situation, on the ground that these things could not be done unless it was being done by conspiracy and that we might be able to prove conspiracy. In answer I refer President, where this practice actually to the Standard Oil of Indiana case, Mr. was being carried on, even in contravention of the Robinson-Patman Act.

If it was being done against the law, how can we expect to prove any such conspiracy when the law upon which the antitrust prosecution was based is eliminated? No one was in a position to prove that Standard Oil was in conspiracy, no one was in a position to prove that Standard Oil was not meeting competition by selling gasoline to a handful of stations in Detroit at 1½ cents below the price to all the stations generally. They proved only that the effect would be—and here again I stress these words—that the effect may be to injure, lessen, or destroy competition. That is what the backers of Senate bill 1008 have been trying to eliminate, looking to the effect rather than having to take on the impossible burden of proving collusion.

So let us quit talking about clarifying the law. Let us talk about destroying the antitrust laws when we debate Senate bill 1008. Fortunately, some of us who have been fighting to save the small-business man of America have made pretty good progress in this battle. The junior Senator from Tennessee [Mr. KEFAUVER] immediately perceived the danger to the small-business man contained in the O'Mahoney bill, and he quickly drew and offered amendments designed to save the small-business man from destruction. These amendments were not carefully worked out, they were necessarily done in great haste, and yet their effect was such as to put the great trusts and monopolies of America into consternation.

What words did the Senator from Tennessee offer? Well, on page 2, after the phrase "to absorb freight to meet the equally low price of a competitor in good faith," he inserted the following words parenthetically: "except where the effect of such absorption of freight will be to substantially lessen competition." On page 3, after the words "That a seller may justify a discrimination," he parenthetically inserted the words "other than a discrimination which will substantially lessen competition."

Those little words "to prevent discrimination where the effect would be to substantially lessen competition" made the bill completely unacceptable to some Members of the Senate and to some Members of the House of Representatives, and it also made the bill totally unacceptable to the giant monopolistic interests of America.

I spent much of yesterday watching the battle in the House of Representatives to save the small-business man, and I might say that I was extremely proud of the valiant fight of our two Louisiana Representatives, Representative EDWIN WILLIS, of the Third District, and Representative HALE BOGGS, of the Second District, for the part they took in that crucial debate. The House committee was attempting to strike the Kefauver amendments. At the outset it appeared certain that the House would strike these amendments, but when the Members of the House of Representatives caught on to what was being done they decided to back Representative CARROLL's amendments, which not only had the effect of retaining the Kefauver amendments, but of improving and strengthen-

ing them to give greater protection to the small-business people.

Ordinarily we would feel that a victory had been won for the small-business people of America, but again we see that we would be celebrating too early if we rejoiced before Senate bill 1008 has been finally disposed of.

Under the rules as I understand them, from the limited opportunity I have had to study our rules, when there is a difference between the House and Senate conferees on a bill, the conference committee should never go beyond the intention of the two Houses and should attempt to reconcile their views. It is not permissible under the rules completely to change the intention of a section when both Houses are in substantial agreement.

Ordinarily, in a case such as this, there would be little to confer about when a bill goes to conference. For example, on page 2 of the Senate bill there appeared the words "except where the effect of such absorption will be to substantially lessen competition." And instead the words were inserted, "except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section." Thus reference was made to the early part of section 2 (a) of the Clayton Act, as amended, which prohibited discrimination "where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition."

Thus the Carroll amendment had exactly the same purpose as the Kefauver amendment except it was more carefully drawn and more protective of the small-business man.

On page 3 of Senate bill 1008 where the words "other than a discrimination which will substantially lessen competition" had been inserted by the Senator from Tennessee [Mr. KEFAUVER], the House substituted the words "except where its effect upon competition may be prohibited by this section," thus saving the Kefauver amendments and strengthening them. It would, therefore, appear that there is very little for anyone to confer about, and no need of any conference on this matter. We might as well accept the House version of the bill, because it has been carefully considered and it has improved upon the amendments offered by the junior Senator from Tennessee [Mr. KEFAUVER].

But I see that this is to be an exception, Mr. President. I now read that an effort will be made again to destroy the Robinson-Patman Act, which is directly contrary to the intentions of both the Senate and House, as evidenced by their support of the Kefauver amendments in the Senate and the Carroll amendment in the House. I read from page 2 of the Journal of Commerce of New York, the edition for Friday, July 8, 1949, this morning's paper:

Representative CELLER, who is sponsoring a drive to end the Robinson-Patman Act—

Perhaps Representative CELLER has not expressed that thought publicly, but at least the Journal of Commerce had it



straight; the object is to end the Robinson-Patman Act—

Representative CELLER, who is sponsoring a drive to end the Robinson-Patman Act, was very dissatisfied with the House action in accepting the Carroll amendment.

"This will mean a continuation of the confusion which the bill was supposed to clear up"—

Which means it was supposed to eliminate the Robinson-Patman Act—

he told the Journal of Commerce. "However, I hope to have the wording of the Carroll amendment changed when the bill goes to conference."

When it was suggested to Representative CELLER that he would be caught between the wording of the Kefauver and Carroll amendments in conference, he replied: "Oh, not necessarily. A lot of things can happen in conference. I think we can straighten it out satisfactorily."

What does that mean? That can mean only one thing, it can mean only the abolition of the Robinson-Patman Act in conference. Is not that wonderful? The Senate went on record unanimously in favor of saving the Robinson-Patman Act when it adopted the Kefauver amendments. The House went on record by a great majority, once it understood what it was all about, in favor of saving the Robinson-Patman Act, when it adopted the Carroll amendment yesterday after a very heated debate. But now the conference would do what could not be done on the floor of either House, namely, destroy one of the strongest statutes ever drawn for the protection of the small-business people of America.

Mr. President, I wish to call to the attention of everyone who is desirous of saving small business in America that the battle is still on. The monopolies are still at work; their lobbies and their influential friends have not relented for one moment. If we accept the House version of the bill, the great trusts of America will have accomplished little in this session of Congress. S. 1008 as amended by Representative CARROLL gives the trusts of America only about 1 percent of what they had hoped to accomplish. I considered it a bad bill even as amended, but its subtly deceptive purpose of destroying the Robinson-Patman Act has been eliminated. I will vote to agree to the House amendment at the first opportunity, not because I believe it a good bill, but because I believe it is a complete disappointment to the great lobbies and powerful interests who are trying to overcome the effects of our antitrust laws, because I believe when they expected to reach into the coop and pull out a chicken they came out with a mere handful of feathers.

I wish they had come out completely empty-handed; but I fear that a failure to dispose of S. 1008, while we have pulled most of the vicious monopolistic teeth from it, might yet give the vested interests of America a chance to deceive, mislead, or fool us into carrying out their carefully conceived designs.

Mr. PEPPER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield to the Senator from Florida.

Mr. PEPPER. Has the able Senator noticed that every time the courts give

some meaning to the antitrust laws of the country, pretty soon thereafter we find legislation proposed in the Congress to emasculate the decision of the courts?

Mr. LONG. I may say to the Senator that I find it very odd that every time a decision is handed down that would hurt a little-business man, that seems to be about the end of it, that clarifies it all satisfactorily, but every time a decision is rendered against a giant monopoly, or the trusts, it is very confusing, and Congress has to change the whole law, so that we start all over again.

Mr. MORSE. Mr. President, I think the Senator is to be commended for the very fine speech he has just made, and I wish to suggest to him that if the conferees should seek to defeat the clear intent of both the majority of the Senate and the House, as set out in the Senator's speech, we might be here long after September 1, when the conference report comes back.

Mr. LONG. I would certainly agree with the Senator in that, and I would like to say, further, that personally, as much as I admire the members of the Senate and the House committees, I am dissatisfied with the way in which they handled this matter. Hearings were held on one basing-point bill. After the committee got through with the hearings they substituted another bill on which no hearings had been held. When the bill came on the floor, the Senator from Wyoming [Mr. O'MAHONEY] substituted another bill, which we had not had a chance to study. So no Senator knew what was going to happen from day to day, and no one knew what bill we were to vote on. Some may have had a chance to study the bill, but I did not. I had about 24 hours' notice.

The Senator from Tennessee [Mr. KEFAUVER] got some crucial amendments added to the bill. When the bill got to the House side, two witnesses were called, both Government employees, and the little independent retail merchants were denied any chance to be heard. The wholesalers' associations were denied any chance to be heard, and the independent petroleum retailers were denied any chance to be heard.

I do not have too much confidence in the action of the conference, when these committees would not let these people be heard on the House side, and certainly not when the bill is rushed in this way, and when we have a declaration by the chairman of the House committee to the effect that he wants to change the obvious intention of the Members of both the House and the Senate.

I think it is demonstrated that the House and Senate would like to save the antitrust laws and would like to save the small-business men from being run out of business.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Connecticut.

Mr. McMAHON. I am not at all in disagreement with the objectives which the Senator has just stated, but I may say that for some weeks I sat as a member of the Committee on Interstate and Foreign Commerce, starting last November, in the hearings before the subcom-

mittee under the chairmanship of the Senator from Indiana [Mr. CAPEHART]. We heard many witnesses, and took a great deal of testimony.

Without in any way commenting on the Senator's criticisms of the particular bill we are discussing, I wish to say that unless our manufacturers in New England, and in my State of Connecticut particularly, can absorb freight, they cannot remain in competition with the manufacturers who are in the markets where much of our Connecticut products are sold. For instance, we have in New Haven a concern which employs 300 or 400 people, manufacturing an article which is sold in competition all over the country. The big competition is from a manufacturer in Cincinnati. We cannot compete with the Cincinnati manufacturer in the Midwest unless we can legally absorb freight.

Mr. LONG. I should be happy to give the Senator my opinion on that matter.

Mr. McMAHON. I merely desire to say to the Senator, and for the RECORD, that we cannot hope to stay in business in Connecticut, in my opinion—and of course I have some duty to the people of my State, as the Senator has to his—

Mr. LONG. Which the Senator from Connecticut is very well discharging.

Mr. McMAHON. Unless we can compete with the stove manufacturer, we will say, in Cincinnati, who sells in that immediate neighborhood. What we do if we cannot compete is to grant him a local monopoly, and thereby we build up a bigger monopoly than if we were permitted absorption of freight.

Mr. LONG. I should be glad to state, in regard to that point, that we have no objection whatsoever to anyone anywhere competing. If the Senator from Connecticut would like to see his people compete, I am tickled pink to see them compete. What I want is to give us a chance to compete. We simply want to keep the law that would protect against practices which would destroy competition, and that is my objection to basing-point practices being followed. The Senator wants his people to be allowed to absorb freight, and there is no doubt in my mind that that is legal. But if they are to absorb freight in such a way, as a systematic practice, that it is going to destroy competition, and discriminate in such a way as to eliminate competition, or prevent competition, that is what we want to stop. We are hoping to compete with Connecticut in anything we produce. We do not want to see competition eliminated. If the Senator wants his industries to compete I think he would like Senate bill 1008 changed, as proposed by the amendments.

Mr. McMAHON. I want to say that one of the attorneys of the Federal Trade Commission came before our committee and testified that in his opinion the absorption of freight was per se illegal. He said that regardless of whether the manufacturer was in conspiracy or not, it was illegal to absorb freight. This gentlemen contended that the markets where there were raw materials existing in the ground were entitled to the benefit of the natural resources that were there, thereby implying that if we

have to get our raw materials and fabricate them in Connecticut we would just have to take our chances of there being a lessened production in our State.

I certainly have no intention of tearing down the fabric of the antitrust laws. But I also say that I shall fight against any application of those laws which prohibit the manufacturers in New England, more particularly in Connecticut, from competing with any manufacturer in the country by way of freight absorption, providing he does not do it by way of conspiracy with some other manufacturer.

Some of the officials at the Federal Trade Commission hold that the very fact that day after day the freight is absorbed is systematically destroying competition. With that contention I certainly do not agree.

Mr. LONG. I would say that the systematic absorption of freight oftentimes indicates that competition is not being destroyed, but simply being eliminated. For example, there is the Gulf Oil Co., there is the Texas Oil Co., there are various other oil companies operating in America. They produce oil and sell it in some cases Nation-wide. They all agree on the same price. They have a system of freight absorption. There is not the least question in my mind that that has the effect of actually destroying or eliminating price competition. All the merchants, all the gas stations which sell their gas have to pay the same price. Maybe that is all right. There has been no attack on that. But what I say is that S. 1008, without the Kefauver amendment, would permit an oil company to absorb freight for one station and refuse to do the same thing for another station right across the street.

If the Senator would like to compete with anything we have in Louisiana, I shall be glad to have him compete. I believe in competition. I want to save competition and to save the antitrust laws, which guarantee that there shall be competition.

If we can establish such an industry as is being established at Daingerfield, Tex., the Lone Star Steel Co., which is trying to establish a local plant there, we would be glad to have it compete with anything that Bethlehem Steel or United States Steel can send into our territory. But there could not be such competition unless the Kefauver amendment is adopted. We do not want the Bethlehem Steel Co. or the United States Steel Co. to say that they are not meeting competition over the whole country, but only within 300 miles of Daingerfield, Tex. So within 300 miles of Daingerfield, Tex., where an infant industry is trying to get on its feet, they absorb the freight in that area in such a manner as to destroy that infant industry.

I am in favor of what the law permits now. I am in favor of any industry in any part of the country competing with us in what we produce. All I want is a chance to compete. At the present time we do not have much chance to compete, because we have very little industry in the South. I am in favor of all the competition we can get. What I am against is these practices which result in elimination of competition, under

which everyone charges the same price, and where they can systematically curtail competition.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McMAHON. Lest there be any misunderstanding about it, I will say that I am against all conspiracies to violate the antitrust laws. There is no question about that at all. But I would point out to the Senator that what he is pleading for is that the other steel companies—or take my stove company in Connecticut, or the manufacturer of any industrial product—be kept out of that Texas market. What you do is to set up the Lone Star Steel Co. You set them up with the local monopoly for 300 miles around, and they can charge up to the point that the other manufacturers would have to charge by adding freight. What you do is to build up a local monopoly and you deprive the people of that territory of the lower prices they could pay.

Mr. LONG. Mr. President, that is a very interesting argument. Someone says, "You are going to set up a local monopoly," because a man has a competitive advantage around his front door. So to prevent any chance of local monopoly you are going to establish a Nation-wide monopoly, bring the Nation under one monopoly, with everything tied up together.

With respect to the point of local monopoly, before about 1880 there were nothing but f. o. b. factory prices. In about 1880 the giant industries of America got a few ideas from the German companies, and about that time they agreed on a new system whereby they would absorb freight, and so they could all arrive at the same price. The prices charged around a mill were ridiculously high.

The Senator will invariably find in his State that where the factories absorb freight the consumers in the neighborhood are obliged to pay a terribly high price for the goods. The Senator's part of the country, however, is not the only part of the country where certain persons are enjoying monopolistic advantages. In my own home State we have an oil-refining company which sells its gasoline for the same price in Baton Rouge as it does in New York. They are not selling it at the same price in New York by way of gratuity. If they can sell it in New York at the same price they sell it in Louisiana, certainly they are making a terrible profit in Louisiana. I understand the Banking and Currency Committee of the Senate is investigating that situation. That practice might be the same as the practice indulged in by some of having a price leader. Without the two amendments added to the bill, I point out that that type of monopoly is going to be legalized too. Acting independently they would be able to do this. The monopolies have had much experience. They have had experience of this sort for 60 years, and they can figure out how to make it work.

Mr. President, if we pass Senate bill 1008 without the Carroll or the Kefauver amendments in it, I expect the United States Steel Corp. to set up one basic

price of steel throughout the entire United States, whether they ship by rail, by water, or do not ship at all. The consumer will be obliged to pay one price, as the consumer of gasoline does. I am opposed to that type of monopoly.

Yet when it is proposed to set up a little independent business it is contended that it becomes a regional monopoly, merely because it has a competitive advantage in doing business in its immediate area. It might as well be said that the United States Steel Corp. has a regional monopoly around its plant. It might as well be said that the Standard Oil Co. in Louisiana has a regional monopoly in Louisiana. I am frankly satisfied with the way the Standard Oil Co. operates in Louisiana. I do not care whether it ships oil in from Maine or from any other place. I am satisfied to see it sell gasoline throughout America on the same terms as in Louisiana, but it is wasteful and uneconomic to ship gasoline halfway across the country or halfway across the world when you can buy gasoline processed in your own back yard.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McMAHON. I want the Senator to understand I am not commenting on the Kefauver or the Carroll amendments. I am going to give them more study before we vote on the conference report. What I wanted to point out to the Senator was that the absorption of freight by individual manufacturers so that they may compete in distant markets, is absolutely essential if industry in certain parts of the country is going to survive.

If the Senator says that 100 years ago industry should have existed only at the points where raw materials were available, there might be something to be said for that argument. But we are dealing with a situation in which plants in Connecticut and other parts of New England take raw materials from other parts of the country, fabricate them, and send the products out. It stands to reason that, so far as we can help it, we are not going to permit a law to be passed which will bar us from absorbing freight in order to sell in distant markets. We are not going to commit suicide if we can help it.

Mr. LONG. I will say to the Senator that it is my opinion—and I am confident in my own mind—that what he said he would like to see, namely, that merchants be permitted to absorb freight to meet competition, in the ordinary sense, is completely legal today. If there is any doubt in his mind about whether or not it is legal, we can pass Senate bill 1008 with the Carroll amendments and the Kefauver amendments, and it will be very clearly legal. What those amendments do is to prevent that device from being used to destroy, eliminate, or prevent competition.

Mr. McMAHON. Is the Senator aware of the fact that there is a considerable body of opinion in the Federal Trade Commission which believes—and I can show the Senator the testimony—that the absorption of freight is per se illegal, without regard to conspiracy? I can show the Senator that testimony. A very



fine lawyer in the Federal Trade Commission, for whose integrity and intelligence I have the highest respect, and who has very great influence in the Federal Trade Commission, was very frank on the subject. He was bold as brass about it. He said, "I believe that under the law the absorption of freight is per se illegal."

Mr. LONG. I will say to the Senator that my impression has been that those who were for opening the door wide, letting down all the bars and ripping holes through the antitrust laws have been of the opinion that all freight absorption is illegal. I do not think so. I believe that so long as one is not destroying competition there is no doubt about the legality of it. If there is any doubt about it, that doubt will be cleared up by Senate bill 1008 with the Carroll amendments or the Kefauver amendments. In my opinion, as the law presently exists, the small-business man is protected. He will be protected if we do not enact any new legislation. But if we permit the proposed law to be enacted as it was originally before the Senate, or if we permit it to be enacted in the form recommended by the House committee, in my opinion it will be responsible for the destruction of hundreds of thousands of small independent merchants, manufacturers, and processors.

#### THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. GREEN. Mr. President, I have received a letter from Mr. Henry Wallace, dated July 5, and have read it with interest. I understand that the same letter has been sent to all my colleagues in the Senate, so I am replying to it here and now.

His argument seems to be that our Government's foreign policy, which includes the Marshall plan, already in effect, and the North Atlantic Pact, now being considered, should be abandoned because of the present economic situation. He claims that the Marshall plan has been a failure and that the pact will make the situation even worse. His alternative policy is that an accord should be reached with the Soviet Union.

He admits that the Paris Conference reached a limited accord with the Soviet Union, but does not understand that this fact was a result of the Marshall plan, and a tribute to its success. Since he implies that the North Atlantic Pact is a further development of the Marshall plan, he should admit that its ratification would increase the likelihood of the complete accord which he wishes. It is the very purpose of the pact to make any nation which contemplates aggression hesitate to act.

There have been many difficulties to overcome in the war-torn world. The Marshall plan has already overcome some of them, although there are still others to be surmounted. The North Atlantic Pact will make it easier to overcome the others.

It will be especially appropriate for this pact to be ratified in this old Sen-

ate Chamber, where the Monroe Doctrine was promulgated.

#### RULES OF PROCEDURE IN DISTRICT COURT FOR TERRITORY OF ALASKA—CORRECTION IN ENROLLMENT OF BILL

Mr. LUCAS. Mr. President, as in legislative session on behalf of the chairman of the Judiciary Committee, the Senator from Nevada [Mr. McCARRAN], I submit a concurrent resolution to correct a clerical error in the enrollment of Senate bill 70, and I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution (S. Con. Res. 53) was considered, and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 70) to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, to make the following change, namely: In lieu of the language inserted by the House engrossed amendment, insert the following:*

"Sec. 2. The first paragraph of section 2072 of title 28, United States Code, is amended to read as follows:

"The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States and of the District Court for the Territory of Alaska in civil actions."

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. KERR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania.

By Mr. LANGER, from the Committee on the Judiciary:

Morgan Ford, of North Dakota, to be judge of the United States Customs Court, vice William J. Tilson, deceased.

#### CONSIDERATION OF EXECUTIVE NOMINATIONS IN THE DIPLOMATIC AND FOREIGN SERVICE.

Mr. LUCAS. Mr. President, I did not talk with the Senator from Nebraska [Mr. WHERRY] about the executive nominations in the Diplomatic and Foreign Service under the head of "New Reports" on the Executive Calendar. If there is no objection, I should like to have them considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. THYE. Mr. President, I will say to the majority leader that no objection has been recorded with me, and for that reason I raise no objection. I am acting

in the capacity of minority leader, in the absence of the Senator from Nebraska [Mr. WHERRY].

The PRESIDING OFFICER. The Senator from Illinois refers to the nominations in the Diplomatic and Foreign Service under the head of "New Reports."

Mr. LUCAS. I refer to the nomination in the Diplomatic and Foreign Service, as of July 7, beginning with Calendar No. 1912, which is the nomination of Jefferson Caffery to be Ambassador to Egypt. I do not ask for the consideration of the nominations of Mr. Butterworth, Mr. Briggs, or Mr. Davis.

The PRESIDING OFFICER. Is there objection to the consideration of nominations in the Diplomatic and Foreign Service under the head of "New Reports"? The Chair hears none. Without objection, the nominations referred to are confirmed en bloc; and, without objection, the President will be immediately notified.

#### RECESS TO MONDAY

Mr. LUCAS. I move that the Senate stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate took a recess until Monday, July 11, 1949, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate July 8 (legislative day of June 2), 1949:

##### IN THE ARMY

##### APPOINTMENTS IN THE REGULAR ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

##### To be major generals

Maj. Gen. Lester Johnson Whitlock, O7138, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Ray Tyson Maddocks, O7291, Army of the United States (brigadier general, U. S. Army).

##### To be brigadier generals

Brig. Gen. Henry Irving Hodes, O12845, Army of the United States (colonel, U. S. Army).

Brig. Gen. Blackshear Morrison Bryan, Jr., O15004, Army of the United States (colonel, U. S. Army).

##### TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

##### To be major generals

Brig. Gen. Josef Robert Sheetz, O9720, United States Army.

Brig. Gen. William Arthur Beiderlinden, O10303, United States Army.

Brig. Gen. Reuben Ellis Jenkins, O11658, United States Army.

Brig. Gen. Whitfield Putnam Shepard, O11908, United States Army.

##### To be brigadier generals

Col. Harold Eugene Eastwood, O8202, United States Army.

Col. Andrew Christian Tychsen, O8256, United States Army.

Col. Laurin Lyman Williams, O8425, United States Army.

Col. Raymond Eccleston Serveira William-son, O8602, United States Army.

Col. William Lillard Barriger, O11220, United States Army.

Col. George Bittmann Barth, O11241, United States Army.

#### APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Curtis H. Alloway, O444813.  
 Anthony J. Auletta, O460153.  
 Paul A. Baldy, O390799.  
 John T. Batts, O386840.  
 William L. Boylston, O414286.  
 Leon W. Brouhard, O132919.  
 Clifford J. Budney, O558042.  
 David M. Buie, O399821.  
 Elmer I. Caldwell, O393912.  
 Charles B. Christian, O409593.  
 John M. Coates, O168595.  
 Lloyd A. Corkan, Jr., O550660.  
 Ralph E. Davis, O1168217.  
 Fred P. De Palma, O436236.  
 Bert P. Ezell, O389521.  
 Edgar R. Fenstermacher, O390519.  
 Joseph F. Fil, O956244.  
 George L. Freeman, O1595510.  
 James V. Galloway, O399104.  
 John D. Gard, O2010743.  
 Franklin T. Garrett, O467847.  
 Sam F. Gaziano, O1291260.  
 Berkeley S. Gillespie, Jr., O467699.  
 Anthony P. Glasser, O1313396.  
 Maxwell Grabove, O442802.  
 John B. Gregg, O1826363.  
 James C. Heftl, O1556732.  
 Leonard J. Hempling, O386072.  
 Lewis E. Hess, O442042.  
 Charles W. Howard, O1325703.  
 William L. Humphrey, O391239.  
 Carl W. Ivie, Jr., O394855.  
 Lloyd K. Jensen, O418003.  
 Maurice E. Jessup, O1173683.  
 James W. Kelly, O530015.  
 Eldredge R. Long, Jr., O955080.  
 John S. Mace, O414381.  
 Clarence D. Maiden, O1318058.  
 Roy R. May, Jr., O449412.  
 Raymond N. Nelson, Jr., O1322582.  
 Gilbert H. Newman, O424196.  
 John W. Norwalk, O452998.  
 Lewington S. Ponder, O526486.  
 Noble L. Riggs, O405897.  
 Edmund C. Roberts, Jr., O405053.  
 William Schabacker, O537740.  
 Ferdinand L. Schwartz, O465156.  
 John G. Sheehan, O1045925.  
 Frank W. Sheppe, O2035441.  
 Russell R. Simpson, O412224.  
 Harold T. Smith, O529568.  
 Homer D. Smith, Jr., O517155.  
 Paul C. Smithey, O957947.  
 Basil J. Sollitto, O402407.  
 Roderick A. Stamey, Jr., O1546523.  
 Lawrence V. Trolano, O396580.  
 William M. Twitty, O1579239.  
 Jerry G. Wallace, O450142.  
 Dayton L. Warren, O532734.  
 Dobson L. Webster, O546471.  
 Joseph M. Wells, O536999.  
 Donald B. Wentzel, O414436.  
 Alton R. Wheelock, O1638773.  
 William M. Whitesel, O546826.  
 Samuel M. Woodward, O442655.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate July 8 (legislative day of June 2), 1949:

#### DIPLOMATIC AND FOREIGN SERVICE

Jefferson Caffery to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Egypt.

#### TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

John Campbell Ausland  
 John H. Barber  
 Vincent R. Boening  
 William B. Buffum  
 Miss Patricia M. Byrne  
 Peter R. Chase  
 Thomas R. Craig, Jr.  
 Richard T. Ewing  
 Seymour H. Glazer  
 Philip C. Habib  
 James E. Hewes, Jr.  
 James L. Houghteling, Jr.  
 Miss M. Louise Kirby  
 Cleo A. Noel, Jr.  
 Harry B. Pangburn  
 Paul O. Proehl  
 Barrett M. Reed  
 John F. Rogers  
 Mrs. Corey B. Sanderson  
 Robert Simpson  
 Herbert B. Thompson  
 Edward J. Thrasher  
 Viron P. Vaky  
 Wendell W. Woodbury  
 Charles G. Wootton

## HOUSE OF REPRESENTATIVES

FRIDAY, JULY 8, 1949

The House met at 11 o'clock a. m.

The Acting Chaplain, Rev. Jacob S. Payton, offered the following prayer:

Our Heavenly Father, on the threshold of the day's deliberations we seek Thy guidance. May each Member be grandly partisan concerned only with being on the Lord's side. May each glory in wearing the party label of the Lord's own. May all bear the mark of the conservative for seeking to conserve in America religious faith and free government. Likewise may all be liberals subscribing to the liberalizing doctrine that every man is his brother's keeper and to the emancipating knowledge of Thy truth which makes men free indeed. So grant, O Lord, to Members of this body the boon of inward peace reserved for those who never ask what is expedient, but always ask what is right. In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and S. Con. Res. 23. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in

the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 50-1.

#### EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Record and include a copy of the bill S. 2115, which has passed the Senate, and a similar bill introduced by her.

Mr. TEAGUE asked and was given permission to extend his remarks in the Record and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Record and include an article from Business Week of July 2, 1949.

Mr. YATES asked and was given permission to extend his remarks in the Record and include an editorial from the Washington Post.

Mr. McCULLOCH asked and was given permission to extend his remarks in the Record and include an editorial from the Columbus (Ohio) Citizen.

Mr. DONDERO asked and was given permission to extend his remarks in the Record and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the Record and include extraneous matter.

#### SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

#### EXTENSION OF REMARKS

Mr. GORE asked and was given permission to extend his remarks in the Record and include an address written by a young gentleman, by which he won first prize in the Knoxville, Tenn., Flag Day contest.

#### PAINTING OLD HOUSE OFFICE BUILDING

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry. I should say I rise to question the privilege of the House, but I have no resolution prepared. But I would like to propound a parliamentary inquiry and would like to discuss it for a moment.

Painters have gone into the Old House Office Building and started on a program of painting the walls in that building where we seldom if ever get any fresh air at all.

I have never known them to air that building out, since they put this cooling system in, with the result that it is literally becoming nauseating to the Members and their clerks who have to work in the building. That ought not to be.

We moved out of the Capitol in order for them to take a year or two to fiddle around over there. Now they have moved into the Old House Office Building. You can smell that paint all the way over here. You can smell it on the fifth floor right now. They are on the first floor and you can smell that paint on the fifth floor.

Unless it is stopped, I will offer a resolution here to bring it to a close and



put a stop to it until after Congress adjourns.

There will be plenty of time for them to paint those walls after Congress gets away from here. It is absolutely unthinkable that they should come in there now and make it impossible for Members and their clerks to work in their own offices.

Mr. Speaker, my parliamentary inquiry is, how to go about stopping it?

The SPEAKER. Since the gentleman from Mississippi has called attention to it, the Chair will see that the House Office Building Commission, of which he is chairman, looks into it.

#### EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

#### HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. NO. 975)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this Act may be cited as the 'Housing Act of 1949.'

#### "DECLARATION OF NATIONAL HOUSING POLICY

"SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every

American family, thus contributing to the development and redevelopment of the communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective is hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

#### "TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

##### "LOCAL RESPONSIBILITIES

"SEC. 101. In extending financial assistance under this title, the Administrator shall—

"(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in

residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

"(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

##### "LOANS

"SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

"(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

"(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

"(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances, of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

"(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by

the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

"(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

#### "CAPITAL GRANTS

"SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

"(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating

not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

#### "REQUIREMENTS FOR LOCAL GRANTS-IN-AID

"SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### "LOCAL DETERMINATIONS

"SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

"(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (1) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (2) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (3) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

"(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

"(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the

demolition thereof would reasonably be expected to create undue housing hardship in the locality.

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

#### "GENERAL PROVISIONS

"SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

"(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

"(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property.

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local



taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, or any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

"(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

"(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be extended in any one State.

#### "PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

"SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### "SURPLUS FEDERAL REAL PROPERTY

"SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### "PROTECTION OF LABOR STANDARDS

"SEC. 109. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Sec-

retary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

"(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

"(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### "DEFINITIONS

"SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Redevelopment area' means an area which is appropriate for development or redevelopment and within which a project area is located.

"(b) 'Redevelopment plan' means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"(c) 'Project' may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term 'project' shall not include the construction of any of the buildings con-

templated by the redevelopment plan, and the term 'redevelopment' and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term 'project' shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

"(d) 'Local grants-in-aid' shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

"(e) 'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"(f) 'Net project cost' shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

"(g) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

"(h) 'Local public agency' means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. 'State' includes the several States, the District of Columbia,

and the Territories, dependencies, and possessions of the United States.

"(1) 'Administrator' means the Housing and Home Finance Administrator.

**"TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT**

"Sec. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '\$4,000,000,000' and inserting in lieu thereof '\$5,300,000,000' and by striking out of such proviso '\$5,000,000,000' and inserting in lieu thereof '\$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1949'.

"Sec. 202. This title shall take effect as of June 30, 1949.

**"TITLE III—LOW-RENT PUBLIC HOUSING**

**"LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES**

"Sec. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each

family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

**"VETERANS' PREFERENCES**

"Sec. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been

determined by the Veterans' Administration to be service-connected."

"(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918."

**"COST LIMITS**

"Sec. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

**"PRIVATE FINANCING**

"Sec. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

"(b) The following is added after section 21:

**"PRIVATE FINANCING**

"Sec. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others, than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or



supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."

"(c) In the fourth sentence of section 9 the words 'going Federal rate at the time the loan is made,' are deleted; in the first proviso of subsection 10 (b) the words 'going Federal rate of interest at the time such contract is made' are deleted; and in lieu thereof in each case there are substituted the words 'applicable going Federal rate'; and subsection 2 (10) is amended to read as follows:

"(10) The term "going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the

most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum."

"(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.'

"(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.'

"(f) The first sentence of subsection 10 (c) is amended to read as follows: 'Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.'

"(g) Section 14 is amended by inserting the following after the first sentence: 'When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.'

"(h) Section 20 is amended to read as follows:

"Sec. 20. The Authority may issue and have outstanding at any one time notes and

other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States."

"(1) Subsection 2 (5) is amended to read as follows:

"(5) The term "development" means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term "development cost" shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings; and

"(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

#### "ANNUAL CONTRIBUTIONS

"Sec. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By inserting the following after the first sentence of subsection (e) of section 10: 'With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of

Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further*, That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year; and

"(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in

amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### "SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

"SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

#### "TECHNICAL AMENDMENTS

"SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By deleting from section 1 the words 'rural or urban communities' and by substituting therefor the words 'urban and rural nonfarm areas';

"(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency"; and

"(2) By adding the following new subsection 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency."

"(c) By adding to section 6 of the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act

of 1949 or by any other law thereafter enacted."

"(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word 'Provided' to a period; and by adding at the end of said subsection 10 (a) the following new sentence: "The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however*, That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further*, That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe or sanitary housing available to families of low income: *And provided further*, That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project."

"(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition."

"(f) By amending subsection 16 (2) to read as follows:

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract."



"(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State; and

"(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### "TITLE IV—HOUSING RESEARCH

"Sec. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"Sec. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practi-

cable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"Sec. 302. In carrying out research and studies under this title, the administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"Sec. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"Sec. 304. The administrator shall appoint a director to administer the provisions of this title under the direction and supervision of the administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

#### "TITLE V—FARM HOUSING

##### "FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

"Sec. 501. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized, subject to the terms and conditions of this title, to extend finan-

cial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

"(b) For the purpose of this title, the term 'farm' shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

"(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### "LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

"Sec. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

"(b) The instruments under which the loan is made and the security given shall—

"(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

"(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

"(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

"(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

**"LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS"**

"Sec. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

"This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments in principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

**"OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS"**

"Sec. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one

individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

"(b) In order to encourage adequate family size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

**"MORATORIUM ON PAYMENTS UNDER LOANS"**

"Sec. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loans for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

**"TECHNICAL SERVICES AND RESEARCH"**

"Sec. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting

such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

**"PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN"**

"Sec. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

**"LOCAL COMMITTEES TO ASSIST SECRETARY"**

"Sec. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws of regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

**"GENERAL POWERS OF SECRETARY"**

"Sec. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.



"(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### "ADMINISTRATIVE PROVISIONS

"SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled 'An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836),

as such Act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### "LOAN FUNDS

"SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### "CONTRIBUTIONS

"SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

"SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

#### "TITLE VI—MISCELLANEOUS PROVISIONS

##### "ADVISORY COMMITTEES

"SEC. 601. The Housing and Home Finance Administrator may appoint such advisory

committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

#### "AMENDMENTS OF NATIONAL BANKING ACT

"SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words 'obligations of national mortgage associations', a comma and the following: 'or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations'.

"(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in

an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose."

#### "NATIONAL HOUSING COUNCIL

"Sec. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### "AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

"Sec. 604. (a) The second proviso in the paragraph under the heading 'Federal Public Housing Authority' in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

"(b) The second proviso in the paragraph under the heading 'Public Housing Administration' in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

"(c) The first proviso in the paragraph under the subheading 'Public Housing Administration' in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### "DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

"Sec. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### "CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

"Sec. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### "CENSUS OF HOUSING

"Sec. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the

number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

"(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### "NATIONAL CAPITAL HOUSING AUTHORITY

"Sec. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### "DISTRICT OF COLUMBIA PARTICIPATION

"Sec. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"Sec. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered

into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local



public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and for which no appropriation was made by the Congress."

#### "ACT CONTROLLING"

"SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

#### "SEPARABILITY"

"SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### "GENERAL PROVISIONS"

"SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an or-

ganization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

And the House agree to the same.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

BURNET R. MAYBANK,  
JOHN SPARKMAN,  
PAUL H. DOUGLAS,  
RALPH E. FLANDERS,  
HARRY P. CAIN,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical, and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

The House amendment contained a provision that the contracts for financial aid made for slum clearance in communities for development and redevelopment purposes should require that preference in the selection of tenants for dwelling units built in the project area be given to families displaced therefrom because of clearance and redevelopment activity when such families desire to live in such units, and are able to pay rents or prices charged to other families for comparable dwelling units built as part of the same development. Neither the Senate bill nor the conference substitute contains a similar provision.

Title II of the House amendment provided for temporary extensions of title I of the National Housing Act and section 608 of title VI of such Act, and also provided for an increase of \$500,000,000 in the insurance authorization of title II of such Act. The Senate bill contained no similar provision. The conference substitute contains the language of the House amendment with a provision making the amendments effective as of June 30, 1949.

Titles III and V of the House amendment contained conflicting provisions with respect to veterans' preferences for admission into low-rent public housing projects. The conference substitute contains the provision with respect to veterans' preferences contained in title V of the House amendment

making the preferences applicable to World War I as well as World War II veterans. In general such preferences would be available to World War I and World War II veterans for admission to low-rent public housing projects without limitation as to the time the preferences run and in this respect the conference substitute is similar to the provisions of the Senate bill.

The House amendment provided for the construction of 1,050,000 low-rent public housing dwelling units over a period of seven years and authorized annual contributions in an amount not exceeding \$400,000,000 per year. The Senate bill provided for the construction of 810,000 dwelling units over a period of six years with annual contribution contract authorization of a maximum of \$308,000,000 per year. Both the House amendment and the Senate bill provided that the units to be constructed and the contracts for annual contributions both could be accelerated, upon a determination by the President after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy and that such action is in the public interest.

The House amendment provided that the construction of 150,000 units could be commenced annually, and that such amount could be so accelerated by an additional 100,000 units. The Senate bill provided that the construction of 135,000 units could be commenced annually, and such amount could be so accelerated by an additional 65,000 units. The conference substitute contains the provisions of the Senate bill providing for a maximum construction of 810,000 dwelling units over a six-year period and maximum annual contributions of not more than \$308,000,000 per year and the acceleration provision applicable to both, and also contains a provision limiting the commencement of construction of such dwelling units to not to exceed 200,000 units in any fiscal year.

The Senate bill and the House amendment contained provisions deleting the present requirements of law that any public low-rent housing project assisted under the Act must include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwellings provided by the project. The conference substitute retains the provision striking out these requirements, but, in lieu of the stricken requirements, provides that no financial assistance (other than preliminary loans) shall be made available for any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved enters into an agreement with the local public housing agency providing that, with certain exceptions, there will be eliminated within five years after the completion of the project unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided by project.

Title I of the House amendment contained a provision which provided that the wages to be paid mechanics and laborers employed in slum-clearance projects should be determined by the Secretary of Labor pursuant to the Davis-Bacon Act. Title III of the House amendment and title II of the Senate bill amended the existing provisions of law so as to provide that not less than the prevailing wages as determined by the Administrator be paid for work on projects. The conference substitute places the authority for the determination of wages to be paid mechanics and laborers employed in the development of low-rent projects assisted under title III of the bill in the Secretary of Labor. The provision of the conference

substitute conforms to the provision contained in title I of the House amendment and retained in title I of the conference substitute.

The House amendment contained a provision in the farm housing title authorizing the Secretary of Agriculture to make loans under sections 603 and 604 of the farm housing title in accordance with the provisions of the Bankhead-Jones Farm Tenant Act to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings. The Senate bill contained no similar provision. The conference substitute in general retains the provision of the House amendment with modification to make clear that the loans would be made in accordance with the terms and conditions of the Housing Act of 1949 and such loans for enlargement or development would be authorized only to encourage adequate family-size farms.

The House amendment contained a provision authorizing the appropriation of \$12,500,000 for grants or loans pursuant to section 604. The Senate bill provided for grants under section 604 in the amount of \$25,000,000. The conference substitute authorizes an appropriation of \$25,000,000 to cover both grants for minor improvements to farm housing and buildings and loans made for land acquisition or development purposes.

The House amendment contained a provision enabling the District of Columbia to participate in the benefits provided by titles I and III of the Act but contained a provision that the Administrator could not enter into a contract of financial assistance under title I of the Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation was denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. The Senate bill did not contain a similar provision. The conference substitute follows the provisions of the House amendment except that the denial of financial assistance is conditioned upon a budget estimate of appropriation for a project transmitted pursuant to law and for which no appropriation was made by the Congress.

The House amendment contained the provision which appears in appropriation bills that no part of any appropriation, loan, fund, or expenditure authorized or provided by the Act could be used, directly or indirectly, to pay the salary or wages of any person who engages in a strike against the Government or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. The Senate bill did not contain a similar provision. The conference substitute makes clear that this prohibition only runs to an officer or employee of the Housing and Home Finance Agency or the Department of Agriculture, and thus avoids the possibility of this prohibition extending to even laborers on the projects as might have been the effect of the broad language of the House amendment.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

Mr. SPENCE. Mr. Speaker, I think the House is entirely familiar with the provisions of the bill and the conference report. We have brought back a conference report that contains provisions that are substantially the same as the House agreed to, and I do not think it is

necessary to prolong the discussion. The statement of the managers on the part of the House clearly and succinctly defines the differences and the amendments that have been agreed to.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PHILLIPS of California. An amendment was introduced when the bill passed the House providing that first rights should be given to those moved from slum-clearance districts. We have examples of that in the District of Columbia where it is proposed to move people out, and not give them the right to go into the new units built as a result of the slum-clearance project.

Mr. SPENCE. That was taken care of in other sections of the bill.

Mr. PHILLIPS of California. Can the gentleman point those sections out to us?

Mr. SPENCE. There are provisions insuring the rights of people who have been removed contained in sections 105 (c) and 302.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. SPENCE. The provision of which the gentleman speaks was unnecessary. This law is going to be administered locally by the local housing authorities, and the amendment was unnecessary and impractical. It gave these people a vested interest in land that might subsequently be purchased. There is a provision that requires them to be taken care of during the progress of the project, and they would have the same rights as other citizens similarly situated to be housed in housing projects.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman does not believe that is any reason for rejecting this conference report, does he?

Mr. SPENCE. It would seem to me it would be unthinkable that that would be a reason to reject this conference report. The rights of people who have been mostly discussed were those of our Negro citizens. They have benefited more than any other segment of our people by reason of slum clearance and low rent public housing, and I have no complaint with that because I think on the whole they probably needed this assistance more. In my district they have an excellent project. It would certainly be an unseemly and unreasonable thing to attempt to destroy the housing program because of an amendment such as that which really should not be in here at all. It has no place here because there is nothing of a discriminatory nature provided in this bill, and those things might jeopardize the ultimate success of the whole program. I hope that those arguments will not be made against the conference report.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman understands there are a lot of people in the United States who are not Negroes and that they are also ones who, in many of the areas, have been

displaced by housing projects and not permitted to get back in for some reason or other.

Mr. SPENCE. I do not believe that the race question should be in here at all.

Mr. PHILLIPS of California. The gentleman raised the race question himself.

Mr. SPENCE. The same advantages to all are there. Those people are taken care of and there is ample provision in the bill to see that they are taken care of. Of course, they have to be housed while the project is progressing.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is very pleasing to note the inquiry of my friend from California when, if he had his way there would be no housing legislation at all and nobody would benefit.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to point out that the proviso mentioned by the chairman completely duplicates the following provision:

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of an available to such displaced families and reasonably accessible to their places of employment.

I do not know how you can state preference any more clearly. Also, it is provided under section 302 (g) that they shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rates, shall extend the following preferences in the selection of tenants:

First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency.

Then the veterans and their families are given the first preference among the slum dwellers who are displaced.

Mr. JAVITS. May I ask two questions: First, does the chairman believe that if the House conferees had insisted on this amendment it would have been an insuperable obstacle to agreement with conferees on the part of the Senate?

Mr. SPENCE. I do.

Mr. JAVITS. Second, does the chairman have assurance that in the administration of this act, if we pass it, the policy of the so-called Powell amendment will in effect be carried out?

Mr. SPENCE. I do not see any reason for discussing discrimination at all. There is no discrimination in the act and there is nothing that could lead to discrimination in the act. It seems to me we are dragging in a red herring to take



the minds of the Members off of the real issue which is, Do we want slum clearance and subsidized low-rent housing? That is what we are trying to bring in here, a housing bill. The only way we could bring it back here is in the manner it has been brought back with the provisions of the bill as they now exist.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, when the bill was under consideration in the House the statement was made that it did not make very much difference what amendments the House adopted, that it was expected that the Senate bill in principle would come back as a conference report. And, that is what has happened. So far as the principle of public housing is concerned, as has been said, it did not make very much difference whether the bill provided for 1,050,000 units or 810,000 units or 1,000 units. Once you adopted the principle and policy of the Federal Government embarking on this activity, then it is expected that the program shall be expanded sufficiently to take in every community in the United States. It is only fair and right that if we clear the slums and provide for low-rent housing in one particular section of the United States, that all of the remaining sections have a right to expect that Congress will make provision for similar programs.

As the chairman of the committee has said, the conferees reduced the amount of public housing from 1,050,000, which the House provided, to 810,000. They eliminated the Powell amendment, and according to the statement of the managers on the part of the House neither the Senate bill nor the conference substitute contains a similar provision. Of course, we can argue all we please about other provisions of the bill taking care of the Powell amendment, but the statement of the managers on the part of the House specifically says that there is no similar provision in the substitute adopted by the conference. I think that answers that.

Now, there is one provision in the conference report that was not in the House report, which I think is highly desirable, and that is the provision that in substance requires the demolition of a unit of substandard units, slums, as we might well call them, for each new unit constructed. Contracts must provide that for each unit of low-cost housing construction which is designed to eliminate slums that during a 5-year period there must be a comparable number of slum units demolished. This is highly desirable. In that respect the bill is very much better than the one that the House passed.

In the farm title the conferees accepted the Senate bill which provided for \$25,000,000 for loans and grants instead of the \$12,500,000 contained in the House bill, and other changes were made which did not change the principle involved very much.

In the so-called Jensen amendment, which was the last amendment adopted, and provided for affidavits on the part of any person employed in slum clearance or low-cost housing, the conferees

deleted the word "person" and provided that the non-Communist affidavits, and so forth, apply to only officers and employees of the Housing and Home Finance Agency and the Department of Agriculture. We might just as well have stricken out the whole Jensen amendment, because that narrows the application of the Jensen amendment to existing law. Existing law provides that all employees and officers of the Government must file anti-Communist or loyalty affidavits. By restricting this language to officers and employees of the Housing and Home Finance Agency and the Department of Agriculture, of course, it brings it right back into line with existing law, so there is absolutely no necessity for legislating in that respect. We have already provided for that.

The bill continues for 60 days title I and title VI, about which we have had very many questions, so that title I, FHA, which insures modernization loans, and title VI insurance, will be continued for a 60-day period. We also increase the amount of insurance available under title II by \$500,000,000.

I think you can give your constituents reasonable assurance that the conference report will be adopted by the House and by the Senate, and I would assume from the statements which have come to us from the White House that you can give them positive assurance that the President will sign the bill, thereby continuing title I and title VI for at least 60 days.

The bill is just as bad as it was when it left the House. It is better in only one respect. It was bad then and it is bad now. That is the reason why the three of us managers on the part of the House on this side did not sign the conference report and still oppose the bill.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, the gentleman from Michigan has made some reference to the change in language in the amendment I introduced and which was adopted by an overwhelming vote in this House when the bill was before the House on the 29th of June.

Every appropriation bill which this House has passed during this session of the Congress and the last session of the Congress had incorporated in them an almost identical provision as my amendment to the housing bill. I simply took the language which was in the appropriation bills and added the necessary language to make it apply properly to this bill.

I felt it was necessary to have this provision in the bill in order to prohibit people who advocate the destruction of our form of government by force and violence. This bill when enacted into law will be in effect 40 years, and the Congress will have little or no opportunity to further exercise its will over the law nor over the appropriations to implement the law as we ordinarily do each year in appropriations bills.

I was very anxious, and the vote in the House proves that the membership was also anxious by a vote of 283 to 129, to have my provision inserted in the bill.

The conferees, however, saw fit to add language restricting the provisions of the amendment to affect only the officers and employees of the Housing and Home Finance Agency and the Department of Agriculture.

Now I ask the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], why this new language was inserted in this particular bill in face of the fact that the Housing Agency has been subjected to severe attack for being a haven for left wingers and radicals of every shade from pink to deep red.

Mr. SPENCE. The language which was inserted in the gentleman's amendment would apply not only to those people who are permanently employed in the Housing Administration and in the Department of Agriculture, and who are charged with the duty of executing this law, but would apply to every laborer, every ditch digger, and every mechanic. We thought that would be entirely impractical. Personally I do not think it makes so much difference, because I think a man who is disloyal to his country would not tell the truth about it. That is my personal opinion. That is the reason it was stricken out.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JENSEN. Why, the Department of the Interior has many thousands of laborers working constantly in the construction of dams and electric power lines, and so forth, the War Department has many thousands of laborers working constantly for them on river-improvement construction, as do other departments of the Government.

Mr. Speaker, it appears very plain that certain Members of this House of Representatives work overtime to give aid and comfort to all the radicals and pinks and commies in the country. So the rest of us must fight hard with what weapons we have against odds which are almost insurmountable. One thing is certain—we will never give up the fight to rid this Nation of its avowed destroyers.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, the gentleman's amendment would seriously hamper and interfere with private business. It would not only include hod carriers and any person who worked 1 day or half a day on a project, but it would include bankers who were handling the bonds as brokers. I do not believe the gentleman would like to require 50 or 100 bankers, who are in competition with one another in the purchase of these bonds, all to subscribe to this affidavit when only one could be the successful bidder.

Mr. JENSEN. I would be tickled to death to have them do so.

Mr. PATMAN. And handle this small amount of bonds. The commissions are very small. It includes not only bankers and brokers and hod carriers, but a person who sells one dollar's worth of merchandise to a project. If it happened to be a partnership with 15 or 20 members, each of them would have to make

an affidavit that they were not Communists before they could sell one dollar's worth of merchandise to these projects. Local people will have charge of it, and we must assume that they are honest and patriotic American citizens and will not harbor pinks and Reds. I assure the gentleman there is not one single member of our committee who is in favor of the pinks and Reds. We are just as much opposed to them as any person. No one person has a monopoly on the opposition to pinks and Reds in this country.

Furthermore, if the gentleman wants additional safeguards, the money appropriated each year—the maximum amount will be \$308,000,000 a year—will have to be appropriated, and proper safeguards can be placed on each appropriation bill, to guard against any fears that the gentleman may have. That will be an additional place where safeguards can be made.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. The gentleman knows that he has voted for 11 appropriation bills during this session of Congress, 8 regular and 3 deficiency bills, and in each of those was this language, with no limitation.

Mr. PATMAN. I know, but you are dealing with a different situation.

Mr. JENSEN. No; you are not.

Mr. PATMAN. It covers everything and everybody in the way it should be covered. You do not want to include a 50-cent purchase of merchandise in this. You have to go to a notary public and make an affidavit before you can sell 50 cents worth of merchandise.

Mr. JENSEN. That would be O. K. with me.

Mr. PATMAN. You would have more affidavits than you would have housing.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SPENCE. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. PATMAN. If the gentleman wants to destroy public housing and make it so that the public-housing authorities could not operate, that would be a good step, but we should want to interfere with the local housing people just as little as possible. We must assume that they are just as patriotic as we are. At least, they should be.

The gentleman from Michigan [Mr. WOLCOTT] in his statement that we capitulated and brought back the Senate bill, did not make an accurate statement. There are several important features that are different from the Senate bill, and very much in our favor. For instance, titles I and VI expired June 30, 1949. The Senate bill did not have a provision to extend those titles. The House bill did contain such provision, and, in addition, an authorization of \$500,000,000 more under title II. They were out of money. So the bill not only extends titles I and VI for 60 days, until the committees can pass upon the extension of those titles permanently or for a longer period of time, but we dated them back to June 30, 1949. In other words, there has been no hiatus in the acts at all.

They continue on from June 30, 1949. That is a substantial change, and very much in favor of the House.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WOLCOTT. I explained that. I think if you will read my remarks you will find I said that the Senate bill, in principle, was returned. I did not want to indicate that the conference was exactly like the Senate bill, because I explained many differences between the House and Senate bills.

Mr. PATMAN. I am glad to have the gentleman's explanation. I did not understand it that way.

I know we doubled the amount for rural housing, that is substantially, a 100-percent increase. We granted a \$500,000,000 increase in title II. We dated the titles back to June 30, 1949. I think these are all substantial changes. I hope that the conference report is agreed to.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the controversy on the conference report is the same as the controversy on the bill; those who were against the bill are against the conference report for one reason or another, and those who were for the bill are for the conference report.

The conference report does in substance carry out the Senate bill; and that, I think, is generally what the House intended as a reasonable housing program. It carries out also the provisions of the bill introduced by 10 House Republicans, including the provisions for the extension and added financing of FHA, which we think are very important. I feel also that we will continue to press for action on housing for the lower middle-income families, which is not contained in this bill, but which was first provided for in the bill introduced by the 10 House Republicans, later joined in by similar bills introduced by 22 Democratic Members.

I hope those who voted for the bill will vote for the conference report and that it will be adopted.

Mr. SPENCE. Mr. Speaker, we have no further requests for time. I therefore move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

#### SADAKO TAKAGI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 623) for the relief of Sadako Takagi, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadako Takagi, the Japanese fiancée of Lt. William M. Marutani, of Chicago, Ill., presently a tubercular patient at the Veterans' Administration Hospital in

Waukesha, Wis., and a retired United States Army officer of World War II, and that Sadako Takagi may be eligible for a visa as a non-immigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Sadako Takagi is coming to the United States with a bona fide intention of being married to said Lt. William M. Marutani, and that she is found otherwise admissible under the immigration laws. In the event that the marriage between the above-named parties does not occur within 3 months after the entry of said Sadako Takagi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Sadako Takagi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadako Takagi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The amendment was agreed to.

A motion to reconsider was laid on the table.

#### JACOB GROSS, A MINOR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That for the purposes of the immigration and naturalization laws Jacob Gross, a minor orphan grandchild of Rabbi Solomon Horovitz, of New York, N. Y., shall be deemed to be the child of said Rabbi Solomon Horovitz."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### INCREASING RATES OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS AND INDEPENDENT AGENCIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the



House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself such time as I desire.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 1689) which increases the rates of compensation of the heads and assistant heads of executive departments and independent agencies. It provides for 1 hour general debate.

Mr. Speaker, I take it for granted that most of the Members are familiar with the bill and its purpose. The President has requested, urged, and pleaded for this legislation so that he might keep some men who are ready to resign and who are needed in the most important positions of our Government. As a matter of fact, some very able men have already resigned.

Originally the bill included an increase for employees of the District of Columbia and the Foreign Service, but these two categories have been taken care of by the House previously. This bill will provide an increase in salaries amounting to \$1,237,000. I have the list of the increases provided for in the original bill, and I have also the list of the reductions that have been made by the committee that reported this bill. I am of the opinion that the committee has done a splendid job. They have reduced many of the proposed increases from \$25,000 to \$20,000; some increases have been reduced by \$5,000, by \$3,000, and others by \$2,000. I think they had in mind to try to hold down expenditures to the utmost.

In view of the very earnest and careful consideration that has been given to this bill and the reductions that have been made by the committee in the proposed increases provided and asked for in the original bill, I do not think that we can do any better, as I said before.

Mr. Speaker, our Government is the greatest organization in the world. It is obliged to legislate for approximately 150,000,000 people, and our Government transacted \$142,000,000,000 worth of business last year. Its President and its directors and those in charge of governmental affairs in safeguarding and protecting the country's interests as well as those of its people, are obliged to cope daily with the most astute and capable representatives of our great industrial and financial organizations. The President, as head of this tremendous organization, must by necessity have able and capable men to aid him in carrying out his duties and responsibilities.

Mr. Speaker, this bill provides for a much-needed increase in the salaries of the President's aids and those upon whom he relies and trusts for the vast amount of important duties and functions that transpire daily. They are his household.

The increases provided for in this bill and many others have been recommended by the Hoover Commission, which engaged over 200 experts to investigate and recommend the ways and means for bringing about economy in our great Government. This bill does not go as far

as the Hoover Commission report suggests, which Commission, incidentally, has spent almost \$2,000,000 in its research and investigations. This bill provides for 244 increases. The gentleman from Kansas [Mr. REES], former chairman of the Committee on Post Office and Civil Service, feels that there should be at least 60 more, and I say at least 100 additional increases, for I feel that many of those not included but that should be, are those that do the hardest and most important work. This also applies to those attorneys employed by the Department of Justice, whose salaries should be increased by virtue of the fact that they are obliged to continuously cope with the most astute and able corporation lawyers in the country, many of whom receive five and six times as great a salary as does the Government attorney.

I fully appreciate that the Government cannot compete with private industry in that they cannot compensate their employees as much as private industry can afford to pay. It is indeed unfortunate that many of these industries have and are continuously hiring many of our Government officials at two and three times the salary that the Government is paying them. I regret it is possible for industry to deprive the Government of many experienced men that we have had from time to time, especially in the Department of Justice and the Bureau of Internal Revenue. I have frequently criticized the practice of private industry in taking from the Government its most experienced men, for the purpose of obtaining information. Frequently these men have information and experience, as well as knowledge, which private industry feels would be beneficial to them.

I fully realize, Mr. Speaker, that some Members feel that the salaries of many other worthy individuals should be increased, notwithstanding this bill, that is, our district court judges, Congressmen, and Senators. Congress, as you all know, increased its salary a few years ago and made allowances for additional clerk hire.

In this bill, for example, we increased the salaries of the Federal Trade Commissioners, who for years received only \$10,000 per year, and the President was obliged to plead with these commissioners to remain in the service of their country, because their salaries have not been increased since 1914, or 35 years. There are many others whose salaries have not been increased in 35 years, and others in 24 years, whose salaries are being increased in this bill, and rightly so. Therefore, I feel that this long-delayed and present increase is more than justifiable.

The only objection that will be made, and I know it will be made by the gentleman from Ohio [Mr. BROWN], is that we wait until all the other Hoover Commission recommendations are adopted. In answer thereto, I will state that some of their recommendations have been approved, but unfortunately they are conditional and will require final approval by the House and no one can tell if such action will take place before we adjourn. Consequently, I feel that Mr. BROWN's viewpoint is not justified, especially in view of the fact that this bill had been

introduced 6 months ago and the application for a rule was made last April. I withheld action on the rule in order to obtain the opinion of the American people. In this regard, I received letters from a great many people all over the United States who approved this legislation, and approximately 2 percent from people who were opposed to it. Consequently, I have called the rule up now for your consideration and action on the bill.

There are some other gentlemen who feel that because of economic conditions they oppose this bill. It seems to me, however, that most of these people are opposing this bill for the purpose of stressing the so-called business recession. I think their opposition is purely political because I do not feel that we are in any danger of a recession. As I have maintained, we are producing more than we ever did in peacetime, and this, notwithstanding the hue and cry of unemployment. As a matter of fact, we had, in June 1949, 59,319,000 people employed in this country, nearly 60,000,000. All this as against 61,615,000 employed in June of 1948, or a drop of less than 2,000,000, and this is one-half the average unemployment figures even in times of the greatest employment. We will always have that number and a greater number of unemployed due to a variety of conditions, such as illness, seasonal shifts, and the like. Other unemployment will be brought about and has been brought about as a result of strikes under the Taft-Hartley Act—which these very gentlemen claimed would eliminate strikes.

Our business and commerce is in splendid shape. Surely we have forced down some of the unjustifiably high prices which some of the industrial leaders naturally dislike, but upon examining their profits, these reductions in cost of living are justifiable and warranted.

I have before me figures showing the profits of 15 of the 25 largest corporations in America for the first quarter of 1949, and the comparative figures for the first quarter of 1948 as taken from Moody's Investor's Service Report. They certainly indicate a healthy increase over 1948.

	First quarter, 1949	First quarter, 1948
General Motors Corp.....	\$136,763,338	\$96,481,412
United States Steel.....	49,928,670	27,857,341
E. I. du Pont de Nemours.....	43,581,325	30,195,371
Socony Vacuum Oil Co.....	26,000,000	33,000,000
Texas Co.....	28,870,111	27,974,839
Gulf Oil Co.....	26,973,000	38,517,000
General Electric Co.....	26,702,978	25,389,149
Standard Oil of California.....	37,389,082	37,106,904
Bethlehem Steel Co.....	33,129,574	15,499,331
Cities Service Co.....	18,510,903	19,976,576
Union Carbide & Carbon Corp.....	24,529,419	23,019,722
Sinclair Oil Co.....	15,000,000	21,000,000
Westinghouse Electric Co.....	10,896,921	13,135,789
American Tobacco Co.....	10,648,000	7,495,000

<sup>1</sup> Estimated.

I also have some figures that I obtained from the Coordinator of Information of the House of Representatives which indicate further that a recession is not around the corner:

Cash dividend payments first quarter 1949 compared with same period 1948

Cash dividend payments:  
First quarter, 1948..... \$1,284,000,000  
First quarter, 1949..... 1,384,000,000

There was a net increase of 8 percent in dividends paid in 1949 over 1948.

The net income of 52 corporations engaged in retail trade for the fiscal year ending in the first quarter of 1949 was \$360,000,000.

For the same period in 1948 the net income was \$306,000,000.

The increase in net income in 1949 over 1948 was 17.4 percent for these 52 corporations.

The total assets of these same corporations increased in the first quarter of 1949 to \$3,064,000,000 from \$2,752,000,000 in the same period in 1948.

This is an increase of 11.4 percent.

I intensely dislike calling your attention to the fact that in 1947, when the private interests attempted to kill the housing bill, rent-control bill, and labor bills, big industry started to lay off men in many instances, and started to create a recession and the resultant unemployment. Naturally, the Wall Street stock speculators and manipulators have then and are taking advantage of it now in an effort to hammer down the price of stock and even bonds. But that is all speculation and does not truly reflect the actual business condition of our country, because these gentlemen are purely and solely gamblers and almost 95 percent of these transactions are speculative; less than 10 percent are legitimate sales.

I promised that I would insert in the RECORD a statement showing the various increases in this bill which I have prepared and which I now insert. As I have stated, the Committee on Post Office and Civil Service has brought about the reduction of many increases that were contained in the original bill.

#### COMPARISON OF SALARY CLASSIFICATIONS IN THE ORIGINAL BILL AND THE COMMITTEE BILL

Section 1: No change in the basic compensation provided for the heads of executive departments and the Secretary of Defense, \$25,000 per year.

Section 2: Executives listed under this section in the original bill were to receive \$22,500 per year. Under the committee bill they receive \$20,000.

Section 105 amended. The following changes were made in the pay of executives listed under this section:

Two White House secretaries reduced from \$22,500 to \$20,000.

Three White House secretaries reduced from \$20,000 to \$18,000.

Seven White House secretaries reduced from \$17,500 to \$16,000.

Section 3: The executives listed under this section in the original bill were to receive \$20,000. The committee bill reduced this to \$18,000.

One exception: The original bill provided \$22,500 for the Chairman of the Atomic Energy Commission. The committee bill provides \$18,000.

Another group of executives listed under this section in the original bill were to receive \$20,000. The committee bill reduced these to \$17,500.

Section 4: The executives listed under this section in the original bill were to receive \$17,500. The committee bill reduces them to \$16,000.

There are two exceptions in this section. The original bill provided \$20,000 for the Board of Governors, Federal Reserve, and for members of the Atomic

Energy Commission. The committee bill reduces these to \$16,000.

Section 5: The executives listed under this section in the original bill were to receive \$17,500. Under the committee bill they will receive \$15,000.

The committee bill adds the following executives who were not included in the original bill, to receive \$15,000: Commissioner of Internal Revenue; Director, Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Immigration; Director, Rural Electrification Administration; Social Security Board; Reclamation Commissioner; Soil Conservation Commissioner; collector of customs; United States Forester; three special assistants to Secretary of Defense.

Mr. Speaker, I am hopeful that this rule will be passed unanimously for it provides for much-needed legislation as I said before—legislation that is pointed in the right direction.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, at the present moment I find myself in one of the most difficult positions that I have experienced since I have been a Member of this House. So I hope I may have as much of your attention as possible under the rather unsatisfactory conditions which prevail here in this temporary Chamber.

As many of you know, I was the author of the legislation which created the so-called Hoover Commission, and have served as a member of that Commission for the past 2 years, and up to the termination of that Commission last month. This legislation comes here, I presume, with the recommendation of the President, that it be enacted into law. In many ways it is, in substance at least, in line with the general recommendations of the Hoover Commission.

In the very beginning I should like to point out that the Commission did not make any definite recommendation as to the amounts or percentage of increases which should be granted to various high-ranking officials in the executive branch of the Government. However, the Commission has pointed out, in its report, that the salaries of the lower grades of employees under the civil service have increased from 43 to 56 percent, while the salaries of those in the highest grades under civil service have been increased by but 15 percent.

Then, after the Commission recommended that a careful study of the pay schedule for higher Government officials be made, it went ahead to say, and I quote:

Similar action is considered essential for other top positions throughout all branches of the Government. Salaries for Cabinet officers have not, for example, been changed since 1925.

To continue to quote from the Hoover Commission recommendation:

This is indefensible. Government can never compete on a dollar-for-dollar basis with private industry for persons for its top positions. It can and should, however, treat such persons in an equitable manner. This it is not now doing.

Then in another recommendation the Hoover Commission discusses the career employees, and in recommendation No.

11, on Personnel Management, the Commission says:

Congress should raise the present salary ceiling of \$10,330 for career employees. At the same time it should increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above.

So I am not now contending that some increase in compensation for the benefit of the higher officials of the executive branch of the Government is not needed or is not justified. Of course, I must contend it is extremely difficult for the Congress, or for anyone else, to attempt to say what a Cabinet officer should receive in the way of compensation, or what salary some other important official in the executive branch of the Government should receive. We had recommended to us, as a Commission, a suggested pay schedule for different public officials. Under the suggested pay schedule, it was recommended the President should have an annual salary of \$150,000, Vice President \$50,000, Justices of the Supreme Court \$35,000, the Speaker of the House \$25,000, Senators and Representatives—if you are interested—\$20,000, heads of executive departments, \$25,000—which means the Cabinet members—Under Secretaries \$20,000, Assistant Secretaries \$17,500, heads of independent agencies \$17,500, and top career employees under the classified service \$15,000.

The Hoover Commission came to the conclusion, after a great deal of consideration and deliberation, that it should not recommend to the Congress just what executive officials should have their pay increased or by how much.

As you can see, this pending bill would increase compensation of certain officials by as much as 75 percent, so that a great many of them would be paid considerably more than Members of the House or Senate, and in many instances much higher pay than the judicial officers of the Government.

But as I said a moment ago, no one can tell what pay any public official is really worth. I have known Cabinet officials who, in my opinion, were worth 50, 100, or even a thousand times as much to the Government as the salary they were receiving. I have known other Cabinet officials where, in my opinion, the Government would have been better off to have paid \$100,000 or so to have them resign their positions and go home.

It has been my contention, and I believe it was the conviction of the Commission, that about the best the Congress can do is to try to fix a pay schedule which will permit a Cabinet member, or any other high official of the executive branch of the Government, to be self-supporting while in office; so it would not be necessary for them to borrow money; so that they could live in a decent way on their salaries. In other words, it should not be necessary or essential for a person to be either a rich man or a crook in order to afford to hold some of these positions.

I think the committee, and properly so, has fixed the salary schedule for Cabinet members at \$25,000. I have no objection to that. My whole criticism of this legislation, and I do have criticism of it, is its timing. The Hoover Commission



did recommend an adjustment of the salaries of higher officials in the executive branch of the Government. But the Hoover Commission also made a great many other recommendations. In fact, they made 317 other recommendations as to how greater efficiency and economy can be obtained in the operation of the Federal Government, insofar as the executive branch is concerned.

I am quite fearful that this bill is not timed properly. I am terribly concerned that if the first, or almost the first, of the Hoover Commission recommendations to be made effective is a law to increase salaries, that the charge may be made that the only interest of either the administration or the Congress has in the Hoover Commission recommendations is in those particular recommendations which would increase the cost of Government rather than decrease it.

The President has recommended this bill. He has acted under his proper rights and powers. But the President has also recommended a great many other measures to us. He has sent to the Congress a number of reorganization plans which, under the law that we enacted, the Reorganization Act of 1949, cannot possibly become effective under 60 days, or before August 19, unless the Congress should enact a joint resolution approving such plans.

We have a number of bills now pending before the Congress to carry out, or to put into effect, the recommendations of the Hoover Commission. As a member of the Committee on Rules, I had proposed that we not bring out this bill until we had first had the time and the opportunity to pass upon the President's reorganization plans, as he submitted them, and to otherwise bring about greater economy and efficiency in the executive branch of the Government; or at least until we have had an opportunity to enact and send to the President legislation such as, for instance, the bill for the reorganization of the Military Establishment, now before the Armed Services Committee, which would save a billion or \$1,500,000,000 a year, following which we could, in good conscience, point out to our constituents and the folks back home that one of the first steps we had taken was to put into effect the recommendations of the Hoover Commission which will bring about greater efficiencies and economies in the Government, and therefore, we feel that the men who will be responsible for making these new reorganization plans effective and workable are entitled to fair compensation.

Just one other thought. We have covered at least a great part of the waterfront in this legislation. But not all officials of the executive branch are covered. While I think the committee has done a pretty fair job, I believe there are some instances where perhaps some officials have been given larger salaries than deserved and have missed a few officials who are entitled to consideration. But remember one other thing. Until the President and the Congress have had an opportunity to study and to put into effect the reorganization plans as recommended by the Hoover Commission, we are not at all certain just what many of

these officials will have to do, or what their responsibilities will be. In fact, we will not know whether some of them will even be in office. It seems to me it is only good, sound common sense to have postponed consideration of this legislation until we first had an opportunity to put into effect the economies and efficiencies which the Commission proposed and which the President suggested in his reorganization plans. Certainly the President, who has sent us his reorganization plans, is just as desirous of having them approved by the Congress as he is in having this one bill enacted. In other words, I think we are considering this bill at the wrong time. The President, in recommending passage of this legislation, I am sure, had in mind that he also wanted these other reorganization plans and these other Commission recommendations made effective, so as to obtain the economy and efficiency in the Government that we desire.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. McCORMACK. I think my friend will admit that the President recommended increases in the executive branch before the Hoover report was made in its final report.

Mr. BROWN of Ohio. Yes; that is correct.

Mr. McCORMACK. So I think it is fair to say that the President probably knew in advance what the Hoover Commission recommendations would be, and I think it is safe to say that he did this independent of it.

Mr. BROWN of Ohio. No; I do not think so.

Mr. McCORMACK. Well, in any event, it was made before the final report was made.

Mr. BROWN of Ohio. Yes.

Mr. McCORMACK. Furthermore, I think the gentleman will admit—and I want to compliment him for the excellent work he did on the Commission, and Mr. Carter Manasco, for the way they represented with dignity and strength the House of Representatives. I think the gentleman will admit that we passed the General Property Administrative Act, which of course is one of the recommendations of the Hoover Commission.

In relation to the seven reorganization plans, what the gentleman said in relation to affirmative action by the Congress before 60 days, carries great weight. I can assure the gentleman that if the situation arises where that can be accomplished, I would be very interested in having it done, particularly if that would expedite adjournment of Congress.

Mr. BROWN of Ohio. I had that in mind, I might add. I thank the gentleman very much.

Now, I want to bring out one other thought. We now have a number of bills before the Congress to increase the pay of numerous other Government workers. The pressure for these increases has been pretty strong. Such employees have received pay increases in the past while many individuals covered by particular legislation have received no pay increases. But just the minute that this pending bill is enacted into law

the pressure and the demand for the increase of pay for other Government workers is going to increase tremendously. At this moment we are faced with a great steel strike. There are many other demands for increased pay in industry. So I am still wondering, and still asking the question—and it is a question each Member of this Congress will have to answer for himself—whether or not this is the proper time to take this particular salary-increase action. We all want to see these top-ranking officials treated fairly. Perhaps they should have some assurance given to them that they are to receive fair consideration at the hands of the Congress. But I doubt the wisdom of passing this bill before we are able to point out to the American people the many savings we have made through putting into effect the President's reorganization plans and the recommendations of the Hoover Commission.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CASE of South Dakota. I appreciate the gentleman's yielding, because I want to call the attention of the Members to the fact that this bill does some strange things: The Director of the Federal Bureau of Investigation and the Director of the Central Intelligence Agency today each receive \$14,000. This bill proposes to give the Director of Central Intelligence an increase from \$14,000 to \$17,500, whereas the Director of the FBI is raised from \$14,000 to only \$15,000. At the same time, however, it puts the Director of the Administrative Office of the United States Courts up to \$17,500, an increase from his present salary of \$10,330; that is, it puts the Director of the Administrative Office of the United States Courts on the same level as the Director of Central Intelligence, but the Director of the FBI is put on the level of the Public Printer, at \$15,000.

Mr. BROWN of Ohio. I assure the gentleman that it is indeed a very difficult task to attempt to decide just what salaries should be increased and what such increases should be. As I have tried to point out this morning, the basic issue involved in the consideration of this legislation is one of timing. And I do not believe this is the proper time to consider this bill.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SABATH. As to the timing, the bill has been reported and has been in the Rules Committee for nearly 2 months, held there because it was my desire to ascertain from the country how the country felt about this great question. Issues have been made and the question was raised whether it was proper or not. Let me say that up until now I have not heard anyone objecting to the passage of the bill; on the contrary, I have heard from hundreds of people who feel that it is justifiable and that it should be passed at this time.

Mr. BROWN of Ohio. I appreciate the gentleman's remarks. I might add that I, also, have heard from literally thousands upon thousands of American

citizens who are vitally interested in putting into effect the recommendations of the Hoover Commission and to thus bring about greater economy and efficiency in the conduct of the public business. I have also heard from many thousands of citizens who are saying that in the face of present deficit in the Federal Treasury, and the decline in the Nation's business activity, that we must practice economy and efficiency.

My one thought has been, and still is, that we should first demonstrate—before enacting legislation like this—to the people of America our great determination here in the Congress, and the desire and determination of the President, to get greater economy and efficiency in the operation of the Government by actually effectuating the Hoover Commission's recommendations through the prompt enactment of necessary enabling legislation.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MILLER of California. I wish to call the gentleman's attention to the fact that the first legislative consideration of this question was by the committee of the Senate in the Eightieth Congress, a committee headed by Senator Flanders.

Mr. BROWN of Ohio. I understand that; I am fully informed on the history of the legislation. I thank the gentleman very much for his remarks, but I must hasten along, as I have so many requests for time.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. REES. These thousands of letters received by the distinguished gentleman from Ohio were not with respect to this measure but with respect to putting into effect the Hoover recommendations, were they not?

Mr. BROWN of Ohio. Absolutely, yes; my correspondents were all interested in getting more economy and efficiency in the executive branch of the Government.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. O'HARA of Minnesota. Will the gentleman tell us what the over-all cost of this bill will be?

Mr. BROWN of Ohio. That information is given on page 3 of the report. I think it will cost about \$1,237,177.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. BROWN of Ohio. It is not the cost of this bill which gives me the greatest concern. It is simply the principle involved, and the fear that many of the good people of our country may misunderstand our action. They are interested in less public spending rather than more. Let us first demonstrate to them our interest in making our Government more efficient and less costly. Then they will gladly approve any action we may take to fairly pay and properly compensate those who can run our governmental agencies in an efficient and economical manner.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, at the outset of my remarks I beg to be permitted to congratulate our distinguished friend from Ohio [Mr. BROWN] for the statement he has made. The temper of his remarks is splendid and I think I may make the observation on the point he stresses that I get the impression that the President has great respect for the report of the Hoover Commission and that it is reasonable to suppose he will continue to recommend legislation which would put more of the recommendations contained in that report into effect. Obviously the whole program cannot be adopted at one and the same time. You have to do it by piecemeal.

Mr. Speaker, if, as a Member of this House, I have not established a reputation for candor and independence of thought, then I fear that what I have done has been of too little consequence to merit attention. But whatever the fact may be, I do feel that I have established the right to appeal to the conservative membership of this body, which I now do.

The bill which the pending resolution makes in order is not political in character, and I hope it will not be treated as such. It comes to us as a request from the President for the increase of the salaries of members of his official household and others for whom he is responsible, and by reason of its very nature it is a request that amity and mutual respect compel us to honor. We need to promote harmony and conciliation and to cherish mutual good will as between the Executive and the Congress.

This is not an ordinary recommendation for legislation. Only the question of salary for a comparatively few people is involved. We pass laws which the President is compelled to execute, and here it is said that in the performance of this duty, in order to keep good and efficient people, and to attract others, salaries should be increased, and since we determine these questions for ourselves by fixing our own salaries and those of our employees, are not the President's wishes entitled to special consideration? To fail to honor this draft which he has drawn upon the good will of this body would, in my opinion, be a thoughtless disregard of ordinary propriety.

The greatest good that we can do our country is to do our part in promoting good will and drawing together the three departments of Government into a bond of mutual understanding and good will and win the confidence of all the people in order that we may present a solid front to that part of the world that is hostile to our way of life.

The office of the Presidency is a difficult one to fill. While it is a place of splendor, fame, and power, it is also a place of infinite toil. The present occupant of this high station wears his honors with becoming dignity and exercises his powers with great caution. He takes praise with great modesty and bears criticism and calumny with extreme patience. I think he is entitled to our support in all instances where we do not divide on principle. I think this salary bill is one that we should all support.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, in discussing this bill, we are considering the rate of compensation of the men who are responsible for carrying out the policies determined upon by this Congress, the men whose qualifications and ability play a large part in determining whether these policies succeed or fail. We are considering the salaries of senior officials of the largest business in the world, the United States Government.

I do not need to quote figures to illustrate the discrepancies between the present salaries of these men and those of officers of other large businesses. This discrepancy is so well known that the Congress should have done something about it sooner. How many large corporations have a president, who could be secured for \$15,000 per annum? More pertinent perhaps is the question: How many qualified men could they find who would be willing to serve for such salaries? And yet those are the salaries now paid to men who are responsible for the lives, safety, and well-being of 150,000,000 stockholder citizens.

We do not mean to say that the salaries of these officials should be commensurate with equivalent positions in private business. This is not necessary to enable the President to obtain qualified people. I like to think that every American is anxious to serve his country when called and that we do not have to offer what he can earn elsewhere as an inducement. However, the compensation must be sufficient to enable qualified men to accept important positions with the Federal Government at not too great a personal sacrifice.

General Marshall, when he was Secretary of State, said on several occasions that he was unable to attract the caliber of top staff required in the conduct of foreign relations because of the low salaries which he was able to offer. He added that he was also unable to keep a number of able employees in the Department because he was unwilling to ask them to stay at the expense of their financial security.

The Congress has recognized inadequacies of top Federal salaries on numerous occasions. Perhaps the most striking example, in the field of foreign relations, was embodied in the Foreign Service Act of 1946. A new scale of ambassadorial salaries and allowances was authorized. These salaries ran to \$25,000 a year for class I posts, such as London, Paris, and so forth. The act also provided that the top class of Foreign Service officers should be paid \$13,500 a year. Under the provisions of this act, top officers are brought in from the field to work beside other officers receiving \$3,000 less per year.

In the act establishing the Economic Cooperation Administration, the Congress also provided for salaries beyond those which have been traditional in the Federal service.

It is impracticable to deal with the salary problem on this piecemeal basis. Inevitably, it results in inequities which tend to aggravate rather than solve the difficulty.



The problem of obtaining and keeping able men in the positions covered by this bill at the present salaries is not a theoretical one. It is one that has arisen many times in the past. We cannot estimate how many men have turned down requests to serve because they could not afford the financial sacrifice. Many who have served their country well and whose loss has been a great misfortune have had to resign because they could no longer afford to support themselves and their families. To mention only a few, there was the late Harold Smith, competent and able Director of the Bureau of the Budget, who found he could not make ends meet on a \$10,000 salary; Gen. John H. Hildring, former Assistant Secretary of State; and Mr. Robert Freer, former Commissioner of the Federal Trade Commission.

We now have an opportunity to rectify this deplorable situation. The total cost for the Government in all departments will be \$1,237,173 annually. This is, indeed, a small price to pay.

May I point out to you that everybody agrees that the Secretary of State should receive at least \$25,000 a year. To me the Under Secretary of the Department of State would be underpaid at \$20,000 a year, considering the work and the responsibilities he has to assume. The Administrator for Economic Cooperation under this bill, to paraphrase Mr. Hoffman himself, is the biggest bargain the United States ever got for \$20,000, the salary to which this key position is to be raised.

The Assistant Secretaries of State, 10 of them, and the Department of State counselor, are only being raised to \$15,000 a year under this bill. From my own personal knowledge as a member of the Committee on Foreign Affairs, these competent men have responsibilities that are gigantic. They have such responsibilities, that the United States must have the best men, properly trained and dependable, to take the far-reaching responsibilities and follow them up.

Because of the far-reaching extent of these responsibilities which carry out the administration of American foreign policies, the American public will not find it out until too late if there are mistakes. Competent key men of the State Department who are the real executives of American world policy which the President, Congress, and the Secretary of State formulate are: the present experienced counselor of the Department of State, George F. Kennan, just confirmed by the Senate to succeed the able previous counselor, Charles E. Bohlen, who is to be sent to the Embassy in Paris; Dean Rusk, Assistant Secretary of State and Deputy Under Secretary handling substantive matters in the State Department; quiet and efficient John Peurifoy, Assistant Secretary of State and Deputy Under Secretary in charge of all administrative matters for the State Department; genial and competent Ernest Gross, Assistant Secretary of State for congressional relations; Willard L. Thorp, Assistant Secretary of State for the involved field of economic affairs; George Allen, Assistant Secretary of State in charge of that important field, public affairs and public liaison; John

Hickerson, Assistant Secretary for the expanding field of United Nations affairs; Edward Miller, Assistant Secretary for American Republic Affairs; George Magee, Assistant Secretary for Near Eastern and African Affairs; George Perkins, Assistant Secretary for European Affairs; and last but not least, affable and experienced Walton Butterworth, nominated as Assistant Secretary of State for Far Eastern Affairs. These men are a credit to the Department of State, and the country.

Our foreign relations are so dependent on such personnel that we may run into a national disaster if the United States Government does not get the proper men in the future, and keep these invaluable and experienced people in our State Department.

We members of the Foreign Affairs Committee in the House know of the vital need, and can heartily recommend to the Congress the expenditure under this bill of only \$70,000 per annum additional for the whole Department of State. Such recognition of key personnel carrying the executive and policy load of the State Department is in direct keeping with the recommendations of the Hoover Commission, and is therefore nonpartisan. It is sound business sense and good doctrine for the Republican and Democratic Parties alike. I strongly urge your support of this legislation as reported by the Post Office and Civil Service Committee.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I am in favor of reasonable increases in salaries for those in major positions in the executive branch of the Government. I am not in favor of unreasonable increases for those in either major or minor positions.

My criticism of the bill as it now stands, without having had much time to study it, is that in some instances, it goes too far in the increase of salaries, that in one or two other instances it does not go far enough; and that it is poorly drawn in that it includes in the same salary brackets positions which cannot possibly be fairly considered as comparable, one position being far more important than another.

I believe the measure deserves far more careful consideration and amendment before it is enacted into law.

I admit that it is difficult to determine upon a yardstick with which to measure executive salaries. But let us take as one yardstick the ablest United States Senator that anyone can think of, who may have given the best years of life to the service of his country and who today commands a salary of \$15,000.

This bill proposes in class 1 to pay every Cabinet officer \$25,000. I do not object to this particularly in itself, but I point out in passing that it means paying every Cabinet officer \$10,000 a year more than we pay any United States Senator.

In class 2, which is to receive \$20,000, you will find the Chairman of the Council of Economic Advisers, now drawing \$15,000, and every Under Secretary in every executive department in the Gov-

ernment now drawing from \$10,000 to \$12,000. In other words, Mr. Speaker, every Under Secretary, who heretofore has had from \$10,000 to \$12,000, is now to receive \$5,000 more than we pay any United States Senator and, incidentally, it is to be bracketed along with the Administrator for Economic Affairs, Mr. Hoffman, and with the Administrator for Veterans' Affairs, General Gray, both of whom fill tremendously important and tremendously difficult positions.

The President is to pay 12 administrative assistants and secretaries a total of \$206,000 as compared with a total under present conditions of \$130,000—two will receive \$20,000, three will receive \$18,000, seven will receive \$16,000.

In the \$18,000 bracket you find the Federal Works Administrator now drawing \$12,500, the Assistant Comptroller General now drawing \$10,330, and the Assistant Director of the Bureau of the Budget now drawing \$10,330. All will receive \$3,000 more than any United States Senator. Moreover, Mr. Speaker, if I read section 6 of this bill correctly, it will be within the discretion of the President to put any head of any board or any commission into that \$18,000 bracket. Surely this is a matter for the Congress to determine in any given case.

In the \$17,500 bracket you will find the Director of the Administrative Office of the United States Courts, now drawing \$10,330; the Public Printer, now drawing \$10,330; the Librarian of Congress, now drawing \$10,330; the Council of Economic Advisers, other than the chairman, now drawing \$15,000. All of these will receive \$1,500 more than any United States Senator.

In the \$16,000 bracket there is a whole string of commissioners, of the Federal Communications Commission, of the Federal Power Commission, of the Federal Trade Commission, of the Securities and Exchange Commission, of the Civil Service Commission, of the Tariff Commission, all of whom have been drawing \$10,000; as well as the Architect of the Capitol, now drawing \$10,330. All are to receive \$1,000 more than any United States Senator.

Included in the financial classification with a United States Senator, to receive \$15,000, we find among others: The Archivist of the United States, now drawing \$10,000, the Indian Claims Commissioners, now drawing \$10,000; the War Claims Commissioners, now drawing \$12,000; the Chief Assistant to the Librarian of Congress, now drawing \$10,330; the Deputy Public Printer, now drawing \$10,330; and every Assistant Secretary in every executive department, now drawing from \$10,000 to \$10,330.

Why, Mr. Speaker, should Edgar Hoover, with his tremendous responsibilities and tremendous success, be classified at \$15,000, when the Director of Central Intelligence is to receive \$17,500?

Why should every Under Secretary in the executive departments receive \$5,000 more than any United States Senator?

Why should every Assistant Secretary in the executive departments be bracketed with a United States Senator?

Why should officials with comparatively minor responsibilities be bracketed with others with heavy responsibilities?

I repeat, Mr. Speaker, I am in favor of reasonable increases in salaries for those in major positions in the executive branch of the Government. I repeat that this bill in my judgment deserves most careful consideration and amendment before it is enacted into law.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may require to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, before salaries of the heads and assistant heads of the executive departments are increased, the economies recommended by the Hoover Commission should be carried out.

It is unfair to expect the taxpayers to shoulder this pay raise recommended by the Hoover Commission until the other Commission recommendations to eliminate waste and duplication are adopted.

It has been reliably estimated that if this Commission's proposals are put into effect, the cost of government would be cut \$3,000,000,000 a year. When this reorganization is accomplished, the people can be assured we have executives heading the departments. That will be the time to present the question of their pay increases.

I expect to vote against this bill to increase government costs by raising salaries of the heads and assistant heads in executive departments.

Finally, if the Hoover recommendations are adopted with the resultant saving of three billions, we can then quickly repeal the wartime excise taxes on such items as ladies' handbags, toilet articles, beauty and barber supplies, furs, jewelry, transportation and communication charges, and all other wartime excise taxes which are now causing undue hardship.

These excise taxes are now forcing businesses to the wall and are destroying jobs.

There is, therefore, a twofold necessity for defeating the measure before us.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I intend to support this rule, and I intend to vote for the bill both in Committee of the Whole and in the House. I rise at this time to make a very brief explanation as to why I will not offer any amendments to the bill as originally announced by me.

As you probably know, the gentleman from New York [Mr. KEOGH] has introduced a separate bill to increase the salaries of members of the judiciary. That bill is now before the Committee on the Judiciary, and the distinguished chairman, the gentleman from New York [Mr. CELLER], has assured me that the bill will be considered by his committee shortly, and that, if at all possible, it will be reported to the House in time to be enacted at this session.

My own bill for the increase of our salaries is before the same committee which has reported this bill and I have been assured by the distinguished chairman [Mr. MURRAY] that that bill also will be called up before his committee for early consideration and, if it is there

acted on favorably, it will be reported for our action shortly thereafter.

I want to direct the attention of the Members of the House to the fact that not only has the Hoover Commission and the President recommended an increase of salary both for the judges and Members of the House, but the Director of the Budget has sent a communication to our distinguished colleague [Mr. MURRAY] which he has authorized me to refer to at this time. The Budget Director under date of June 24, 1949, said:

While the bill deals with the question of whether this proposal—

Meaning the increase of salaries for Members of Congress—

is one for the Congress to resolve, it is significant that the President on several occasions indicated his feeling that adequate compensation should be provided for our Federal legislators.

Mr. Speaker, this bill is a step in the right direction.

The bill to increase the salaries of members of the judiciary is another step in that direction. I submit that my bill to increase our own salaries is also a step in the right direction, if you want men and women of the high type and caliber that we ought to have in high position in our Government, you should pay them, and pay them well.

I will withhold my amendments with reference to salary increases to judges and Members of Congress in reliance on the assurances given to me that those bills will be submitted to us for separate consideration.

An almost unanimous press is supporting us in this effort to adequately compensate the Members of Congress as well as those executives and judges who are now being underpaid.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, if, as the Associated Press reports, the President's court jester, General Vaughan, knows 300 people in Washington who are selling their influence with highly placed Government officials for 5 percent or any other consideration, he should be required to testify to these facts before one of the committees now engaged in looking into these reprehensible practices. It is equally important, if his charges of corruption are not well-founded, that he be required to remove the stain he has cast upon every procurement agency in the Nation's Capital.

Some of the assertions of this intimate of the President can safely and preferably be ignored, but here is one to which this Congress cannot shut its eyes.

If favoritism concerning the award of contracts and the sale of influence have reached the gigantic proportions which General Vaughan indicates, and he is certainly in a position to know what he is talking about, the public interest requires a full and open disclosure by him of name, chapter, and verse to substantiate his charges.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, I am persuaded that the House has sufficient in-

formation to pass on this resolution and that it will be adopted. It would, I think, be unfortunate if before the consideration of the bill, attention was not directed to the superior report accompanying this legislation, which was filed by the gentleman from Tennessee [Mr. MURRAY], chairman of the great Committee on Post Office and Civil Service. This is a document of permanent value and I am sure all of you will want to keep it in your office for reference. It outlines the functions of the 244 positions affected by this bill. I am pleased to have a copy of the report and find it very useful. Members of the committee and their splendid staff are entitled to a commendation for this report.

I join with every Member of this body in a sincere desire to effect economy and reorganization in the executive branch of the Government. The Hoover Commission has made recommendations similar to those proposed by this legislation. In my judgment it cannot be rightfully said that this is a salary-increase bill. It is a measure that reevaluates the work and responsibilities of the positions covered. It does result in salary increases.

Significantly, it is the first time this has been accomplished in a quarter of a century. I could not support this measure if it were a question of raising the salaries of personalities now connected with the Government, for the philosophy of some of them is foreign to mine. It is a healthier bill than that, one attempting to place the position involved its proper stature.

Your Committee on Post Office and Civil Service held exhaustive hearings. It is a conservative committee and their recommendations are entitled to the most serious consideration. At all times I enjoy working with this committee because its members, both Democratic and Republican, sincerely give their best to the improvement of our Government service.

I am very fond of my Government. It has been very good to me. I dislike the unfortunate attitude today of so many commentators and newspaper and magazine editorial policies which would tear down the confidence of the people in their Government and ridicule those of us who serve in government, whether it be in the legislative, judicial, or executive branch. It is conceded to be the best form of government in the world—so good is it, in fact, that the men who serve in it can do it very little lasting harm. It is bigger than all of us, and this, to me is an expression of confidence, not only in the form of government, but in the sincere and able people who serve in it.

Comparatively, this is not an expensive bill. For example, and I do not mean this as an odious comparison, if you did away with the potato program for 2 days, it would pay for this bill for an entire year. The cost is insignificant. It is significant, however, to recognize the importance of the work and responsibilities of the 244 positions covered by this bill. I am often in agreement with my colleague in the Committee on Rules, the gentleman from Ohio, [Mr. BROWN]. I do not agree with him, however, that it is untimely to bring this bill to the floor. During the time I



have been in the legislative body, I have never found it timely, politically speaking, to increase the salary of anyone connected with government, but that is a responsibility I share with you, the responsibility of making the Government service as useful and effective as possible.

The positions involved in this measure are charged with great responsibilities. The President has strongly urged that they be reevaluated and reclassified, and compensated accordingly.

The statement made by my distinguished friend, the gentleman from Georgia [Mr. Cox], eloquent and persuasive, should have convinced the entire membership that we should pass this measure.

Mr. Speaker, I urge the adoption of the rule and the immediate consideration and passage of H. R. 3191.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Speaker, this bill has not had the careful consideration to which it is really entitled. My attention has been called to the fact that there is only \$1,250,000 involved. They say it is conservatively small. There are only 244 out of 2,000,000 employees involved. However, in this bill, if you had the time to study it, you would find that it covers only a few of hundreds more who are just as much entitled to an increase as those in this bill. I know of a good many faithful career people who are much more entitled to this consideration. As a matter of fact, the committee put in about 40 or 50 positions that were not in the original bill.

I think the bill is untimely. To bring a bill to the floor of this House and give us 30 minutes on each side to discuss an important measure is wrong. That is all we are allowed to discuss this bill, except under the 5-minute rule.

I hope to speak again later and will outline my views, but I want to call attention to an amendment that I expect to offer at the proper time, that will reduce the amounts that are paid to a number of the people in these various categories. A great deal has been said with respect to pressure on the part of the President to secure this legislation. Many Members could tell you, if they would, that they have had pressure not only from the President but from heads and assistants of agencies involved.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SABATH. Mr. Speaker, I yield one additional minute to the gentleman from Kansas.

Mr. REES. I say to you that this bill should have had not only more careful study in the committee but also on the part of the membership of this House, because you are establishing a policy of which this million and a half dollars is only the beginning. It has been suggested that it is very little; to the taxpayers it is considerable. This is only part of millions more costs proposed by Members of this House before the committee of which I am a member. Should our committee report out the bills that have been proposed by Members of the House we would increase the cost of government for employment more than

\$2,000,000,000. Mark you, if this bill is passed—if that is what you want—if this bill is passed you have many more bills just as worthy as this one. At the proper time I shall offer a substitute bill and ask you to reduce the payments recommended in this bill.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from New York [Mr. CELLER] such time as he may desire.

Mr. CELLER. Mr. Speaker, I am happy to have this bill considered and pleased to vote essential increases to various members of our executive branch. As chairman of the House Judiciary Committee, I have almost daily contact with my esteemed friend the distinguished Attorney General. Our committee and the Department over which the Attorney General presides work in closest harmony. I am gratified that that is so. Permit me to express some pertinent observations concerning the Honorable Tom Clark and his able assistants.

The Attorney General is the chief law officer of the Government and is the legal adviser to the President and the heads of the executive agencies. Also, he is the head of the Department of Justice, an organization of 27,000 persons serving in all parts of the United States, its Territories and possessions, and which operates at an annual expenditure of approximately \$130,000,000. He has under him the Solicitor General of the United States, the Assistant to the Attorney General, the Assistant Solicitor General, seven Assistant Attorneys General and the heads of three major bureaus, namely, the Immigration and Naturalization Service, the Federal Bureau of Investigation, and the Bureau of Prisons.

The office of Attorney General was created in 1789, the annual compensation being fixed at \$1,500. There were steady increases in compensation through the years until 1870, when the Department of Justice was created and the Attorney General's compensation was fixed at \$10,000. At that time the Department consisted of a handful of persons with an annual budget of around \$1,000,000. In 1925 the Attorney General's compensation was fixed at \$15,000, the same rate as at present. The Department at that time comprised 3,400 persons, with an annual expenditure of approximately \$15,000,000. Although the responsibilities and duties of the Attorney General and his subordinates have increased tremendously since that time, the compensation of the office has remained the same. While the position has attraction because of its prestige and importance, the fact remains that men of great ability and qualifications but with limited financial means are unable to accept it. Others cannot remain in the position for any length of time without great financial sacrifice. In England, the salary of the Attorney General is fixed at 10,000 pounds—roughly \$44,000 at today's rate of exchange; furthermore, that official has substantially fewer responsibilities than those which rest on the Attorney General of the United States.

It is no secret that the top men in the legal profession in this country are earn-

ing far in excess of what the Attorney General is paid, and very frequently get one fee in a single case far in excess of the Attorney General's annual salary. If nothing more than to command respect in the profession in which the Attorney General is regarded as one of the outstanding members, the compensation of the office should be more nearly commensurate to its exacting duties and responsibilities. The Department of Justice is vital to the business and welfare of the Nation, and the security and protection of our economy rests in large measure upon the proper conduct of its work. No business enterprise which has had the growth and expansion in size and responsibilities comparable to the Department of Justice would leave the compensation of its executive head at the same level as it was in its early and formative period.

The top officials of the Department included in the pending compensation bill are the Solicitor General, the Assistant to the Attorney General, the Assistant Solicitor General, seven Assistant Attorneys General, the Director of the Federal Bureau of Investigation, the Director of the Federal Prison System, and the Commissioner of the Immigration and Naturalization Service. With the exception of the Directors of the Federal Bureau of Investigation and the Federal Prison System these are all statutory positions requiring Presidential appointment and confirmation by the Senate.

To raise the salaries of these positions, including that of the Attorney General, would amount to an additional cost of less than \$90,000 a year as presently contemplated, which is far less than the fee frequently paid opposing counsel in a single important case. The Department is a highly organized professional and technical office handling litigation involving billions of the Government's money and property. The heads of the divisions and bureaus have exceedingly heavy responsibilities, which have increased enormously in the last few years. The work of the Federal courts has greatly expanded, and the complexity of present-day governmental responsibilities has given rise to an extended range of legal and administrative problems.

The leading practitioners in the legal profession are earning far more than the heads of the legal divisions in this Department. Naturally they are very reluctant to give up lucrative practices to take positions such as these. If they do make the sacrifice, they are then under continual temptation to yield to the demands of society and their families in order to earn enough to live at a standard commensurate to their positions and responsibilities. This results in a great turn-over in these positions, with the resultant loss in continuity of direction and policy in the operation of the various units. Much ground is lost each time in adjusting to new direction and control, to the detriment of the Department and the public.

It is urgently necessary that the salaries of the top officials of the entire Government be fixed at a level which will attract men of great capacity, capability, and sound judgment. In the case

of the Department of Justice it is further necessary that such men have the caliber to be recognized and respected by the legal profession. The increase in compensation would only partially offset the pressures and burdens which they must face in carrying out the duties and responsibilities of their positions. Under the present salary scale and conditions now prevailing economically the President and his Cabinet officers are faced with a serious problem in attracting high-caliber, well-qualified men. The problem facing the Attorney General in this respect is one of particular difficulty, for the reasons which have been set forth above.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. McCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 9 minutes.

Mr. McCORMACK. Mr. Speaker, I think the remarks made by my very able and distinguished friend the gentleman from Georgia [Mr. Cox] were not only dignified but also very effective. He set forth the reasons why this bill should pass. He referred to the spirit of amity between the various branches of Government, and certainly that is a compelling thought. Amity exists not only between the two bodies of the Congress but also between the branches of Government on matters directly connected either with the legislative branch in the case of our particular branch of governmental organization, the House and the Senate, and matters directly connected with the executive branch of Government. The President, on his side, has clearly evidenced a feeling of amity for the House of Representatives recently when he signed H. R. 4583, giving us the additional clerk. At that time he said:

I have signed this act willingly—

Notice the word "willingly," a complete expression of understanding and amity—

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business.

The President recognized that when we passed that act that we did so in the interest of efficiency in Government.

The President concludes his message with this statement:

For the compelling reasons set forth, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government.

I get a good deal of amusement from the President's message because he "willingly" signed the bill which related to the House of Representatives, but called attention to his problem in connection with the bill which is now before the House. I hope that this will not develop into a partisan question simply because President Truman is a Democrat; certainly if the incumbent of the White House were a member of the Republican Party I would support his request; for if the President under such circumstances—and, of course, it will not happen for many, many years—were to be

a Republican, I would recognize the amity between the two branches, and I would recognize his justification for such a request.

Some Members have referred to the fact that the bill has not been considered carefully. If ever a bill was considered carefully this bill has been. It was introduced on January 20, 1949, and the matter has been the subject of consideration by a Senate committee in the last Congress.

The bill now before us represents a compromise. The gentleman from Tennessee [Mr. MURRAY], chairman of the committee, proposed a compromise and the committee adopted his compromise which reduced the amount contained in the original bill.

The gentleman from Ohio [Mr. BROWN] admits that the legislation is justified and does not argue against the bill. He disagrees with the timing. Of course, that is only a technical objection, which means that he supports the bill, he is in favor of the bill, because otherwise he would be placed in the very embarrassing position of opposing the very recommendations of a commission of which he was a member. Repeatedly throughout the Hoover Commission report are contained references to the fact that the particular officials enumerated in this bill have not received the consideration they are entitled to. For example, in one report it is stated:

In order to attract the most desirable types of persons to department high commands, the salaries of under secretaries and assistant secretaries should be increased.

Again in the same report there is another reference to it. In this report there are several references to it. Here is another report of that committee, the report to Congress of February 1949, in which it is stated at one place:

To all other employees whose rates of pay are fixed on a Nation-wide basis, the President should be authorized to direct the Civil Service Commission to review—

And so forth. In relation to the bill now under consideration it calls attention to the fact that pay in the lowest grades has been increased between 43 and 56 percent, while pay in the highest grades has been increased only 15 percent, immediate consideration should be given to providing adequate salaries for top civil-service employees, with the exception of professional, scientific, technical, and so forth. Most, if not all, of those covered by this bill are non-civil-service people. The last time a Cabinet officer received an increase was in 1925. The Cabinet officers have not received an increase in salary since 1925. Most of the officials covered by this bill, other than members of the Cabinet, such as assistant secretaries, have received no increase in salary since 1925.

The last time the members of the Federal Trade Commission received an increase in salary was in 1914 when the salary was established at \$10,000. That is still the salary of members of the Federal Trade Commission. The last time members of the Cabinet received an increase was 24 years ago; in the case of members of the Federal Trade Commission it was not 24 years ago but 35 years ago.

So it seems to me that equity and justice calls for this change. If there is some particular position that should receive more, that is another proposition entirely. An amendment may be offered to cover the matter. Reference has been made to J. Edgar Hoover. I may say that I offered an amendment and the Subcommittee on Appropriations agreed to it back 3 or 4 years ago when Mr. Hoover got his last increase from \$10,000 a year to \$14,000 a year. I offered the amendment on the floor of the House, and the subcommittee of the Committees on Appropriations on both sides accepted the amendment.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman would not say now that the Director of the FBI should be put on the same salary as the Deputy Public Printer, would he?

Mr. McCORMACK. I was coming to that, to say that those who feel that he should receive more than this should offer an amendment to the bill at the proper time, and I am pretty satisfied when that is done that the high regard for the public service of J. Edgar Hoover would probably be very quickly recognized.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I might state to the gentleman that I have prepared an amendment so that he will get at least \$17,500.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. STEFAN. When the majority leader offered his amendment to increase the salary of Mr. Hoover from \$10,000 to \$14,000, it was originally planned to increase it to \$15,000.

Mr. McCORMACK. Yes.

Mr. STEFAN. But because his chief, Tom Clark, the Attorney General, was getting \$15,000, we did not think it was fair to put the two on the same basis.

Mr. McCORMACK. The gentleman is absolutely correct.

At that time I was going to offer an amendment to increase his salary to \$15,000, but the Attorney General only received \$15,000, and it was felt that the head of the FBI should not receive the same salary as the Attorney General.

So, my special plea is that the bill should pass. If there is dissatisfaction with some particular classification or position here offer an amendment to it, but let us consider it as we have today during general debate on a nonpartisan, nonpolitical basis because the bill is predicated upon justice and equity, and bring about greater efficiency in government.

The SPEAKER. The time of the gentleman from Massachusetts has expired. All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.



The resolution was agreed to.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1689, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill under consideration proposes to establish the proper rates of annual compensation for heads and assistant heads of the executive departments and independent agencies.

Extensive hearings were conducted by the committee, and witnesses appearing represented the General Accounting Office, Bureau of the Budget, Civil Service Commission, and the Commission on Organization of the Executive Branch of the Government. Executives in private industry, and representatives of Federal and postal employee organizations support the legislation.

In its report to the Congress in February 1949, the Commission on Organization of the Executive Branch of the Government, usually referred to as the Hoover Commission, stated that the Congress should "increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above." The bill approved by the committee establishes annual compensation consistent with the report of the Commission's task force.

The committee has prepared an extensive report regarding this legislation (H. Rept. 535), which not only analyzes the legislation in detail, but Appendix B on page 16 contains the following information regarding each position covered by the bill: Position title, present salary and date established, proposed salary, incumbent, responsibilities and size of organization, including number of employees and estimated annual expenditures for fiscal year 1949. I trust the Members will avail themselves of the information contained in this report.

On January 1, 1949, the President wrote to the Speaker of the House requesting "that the Congress take prompt action to increase the compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank." In his letter he stated that "inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead."

On June 23, 1949, in his message to the Congress in connection with his approval of H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives, the President stated "I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government." The President further pointed out that the Hoover Commission "urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities." Finally, he stated that "so long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency. I again urge the Congress to complete favorable action upon this legislation at an early date."

Section 1 establishes the compensation of the head of each executive department and of the Secretary of Defense at \$25,000 per annum. At the present time the compensation of Cabinet members is \$15,000 per annum, and in no case has been changed since 1925. I believe that upward revisions in the compensation of these important Government officials are long overdue and that the bill provides the correct adjustment in their salaries.

Section 2 (a) establishes the compensation of each Undersecretary of an executive department, the Assistant to the Attorney General, the First Assistant Postmaster General, the Solicitor General, the Comptroller General, the Director of the Bureau of the Budget, the Chairman of the Council of Economic Advisers, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, and Administrator for Economic Cooperation at \$20,000 per annum. In the bill as introduced, these salaries were generally set at \$22,500, but the committee agreed to reduce such compensation by \$2,500 annually.

Section 2 (b) authorizes the President to fix the compensation of his six administrative assistants, the Executive Secretary of the National Security Council and five other secretaries or staff assistants in the White House as follows: Two at rates not exceeding \$20,000 annually, three not exceeding \$18,000 annually, and seven not exceeding \$16,000 annually. The committee reduced these rates \$2,500, \$2,000, and \$1,500 respectively, under the salaries provided in the bill as introduced.

Section 3 (a) establishes the annual compensation of the Assistant Comptroller General, Assistant Director of the Bureau of the Budget, Chairman of the Munitions Board, Chairman of the Research and Development Board, Chairman of the Atomic Energy Commission, Federal Works Administrator, Housing and Home Finance Administrator, Deputy Administrator of Veterans' Affairs, and Deputy Administrator for Economic Cooperation at \$18,000. The committee reduced such compensation by \$2,000 annually from the salaries in the bill as introduced.

Section 3 (b) establishes the annual compensation of the Director of the Administrative Office of the United States Courts at \$17,500, a \$2,500 annual reduction from the bill as introduced.

Section 3 (c) establishes the annual compensation of the Public Printer, Librarian of Congress, members—other than Chairman—of the Council of Economic Advisers, Director of Central Intelligence, Federal Mediation and Conciliation Director, and Assistant Federal Security Administrator at \$17,500. In the bill as introduced, these salaries were set at \$20,000 but the committee agreed to reduce such compensation by \$2,500 annually.

Section 4 establishes the annual compensation of the Board of Governors of the Federal Reserve System, the Director of Aeronautical Research of the National Advisory Committee for Aeronautics, the Chairman of the Board of Directors of the Export-Import Bank of Washington, the Comptroller of Currency, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, the Chairman of the United States Maritime Commission, the general counsel of the National Labor Relations Board, the Architect of the Capitol, the Assistant Federal Works Administrator, and the members of the Civil Aeronautics Board, Federal Communications Commission, Board of Directors of the Federal Deposit Insurance Corporation, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, National Labor Relations Board, National Mediation Board, Railroad Retirement Board, Securities and Exchange Commission, Board of Directors of the Tennessee Valley Authority, Civil Service Commission, United States Tariff Commission, and Atomic Energy Commission—other than the Chairman—at \$16,000. In the bill as introduced, the majority of these salaries were set at \$17,500, and the committee agreed to reduce such compensation by \$1,500 annually. However, in the case of the members of the Atomic Energy Commission and members of the Board of Governors of the Federal Reserve System, such compensation was reduced by \$4,000 annually from H. R. 1689 as introduced, and the Chairman of the Board of Governors of the Federal Reserve System was reduced \$6,500 annually—see appendix A, page 14, House Report 535.

Section 5 establishes the annual compensation of the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Archivist of the United States; each Assistant Secretary of an executive department; the Fiscal Assistant Secretary of the Treasury; each Assistant Attorney General; the Assistant Solicitor General of the United States; the counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal; and the members of the Displaced Persons Commission, Indian

Claims Commission, War Claims Commission, Philippine War Damage Commission, Board of Commissioners of the District of Columbia, Board of Directors of the Export-Import Bank of Washington, other than the Chairman, Board of Directors of the Reconstruction Finance Corporation, other than the Chairman, United States Maritime Commission, other than the Chairman, at \$15,000. In H. R. 1689, as introduced, these salaries were set at \$17,500, but the committee agreed to reduce such compensation by \$2,500 annually.

While this legislation was under consideration the committee added the following positions and increased their rates of basic annual compensation to \$15,000 annually: The Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense.

Section 5 (b) establishes the annual compensation of the Assistant Director of the Administrative Office of the United States Courts at \$15,000, a reduction of \$2,500 annually from the bill as introduced.

Section 5 (c) establishes the annual compensation of the legislative counsel of the House of Representatives and the Legislative Counsel of the Senate at \$12,000 per annum.

Section 6 provides that the President is authorized in his discretion to increase the compensation of any chairman or other head of a board or commission to \$18,000 per annum, when such head has important duties or responsibilities not imposed upon other members of such board or commission. In the judgment of the committee, this discretionary authority properly belongs to the President in connection with securing better administration and providing adequate compensation for increased duties and responsibilities of public officials.

Section 7 of the bill as approved by the committee contained annual pay increases of \$330 annually for officers and employees of the Foreign Service, and classified Federal employees in the municipal government of the District of Columbia retroactive to July 1948. This section was approved by separate legislation, H. R. 5100, which passed the House on June 20 and the Senate on June 30, and is now Public Law 160. Consequently, at the appropriate time, I shall offer an amendment on behalf of the committee to strike this section in its entirety.

The salary increases for these 244 Government officials will cost \$1,237,173 annually. This is a reduction of \$156,-

000 annually under the cost of the bill as introduced.

It is obvious that this small investment in dollars of securing and retaining highly competent Government officials will be beneficial to the American people. I believe that enactment of this legislation will provide appropriate incentive in terms of annual compensation to attract well-qualified and able top-level officials in the Federal Government. Occupying the positions covered by the bill, they should conduct the affairs of our country more efficiently and more economically. They will bring with them into the Federal service extensive experience in handling the affairs of companies in private industry. They will initiate new procedures and devices for decreasing the cost of Government which will result in savings of many millions of dollars which will more than offset the moderate salary increases proposed in the bill.

Since July 1, 1945, the annual compensation of Federal employees has been substantially increased. The heads and assistant heads of the departments and agencies covered by this bill have not received such statutory increases. Except in a few cases, upward salary adjustments have not been made during the past 25 years in the salaries of the 244 top-level officials included in the bill. Moreover, in those instances where the annual compensation of heads and assistant heads of independent establishments and agencies has been fixed since 1940, the salary adjustments have resulted in a disproportionate relationship between those positions and similar positions established prior to the war years.

In establishing the annual compensation for heads and assistant heads of agencies created since World War II, a more realistic approach has been made by Congress, for example, the Administrator for Economic Cooperation receives a salary of \$20,000 annually, the Deputy Administrator for Economic Cooperation \$17,500 annually, the Chairman of the Atomic Energy Commission \$17,500 annually, the Housing and Home Finance Administrator \$16,500 annually, and the members of the Council of Economic Advisers \$15,000 annually. In view of the recent action by Congress with respect to these salaries the committee made only minor adjustments in them. Also, such congressional action served as a guide to the committee in establishing the compensation of the remainder of the positions covered by the bill.

I believe that the enactment of this legislation is necessary and consistent with a more realistic approach to good administration in the Federal Government.

#### SIGNING OF H. R. 4583

(Message from the President of the United States transmitting relative to signing H. R. 4583, and with the recommendation for passage of legislation raising the salaries of executive officers of the Government)

To the Congress of the United States:

I have today approved H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives. This act provides an additional allowance of \$3,000 a year for each Member

of the House of Representatives for clerk hire and authorizes an allowance of \$500 a year for each Member for sending telephone and telegraph communications.

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business. I have no doubt that the benefits derived from this legislation will fully justify its cost, which is relatively small in the light of the magnitude of the problems confronting the Government.

I feel constrained to point out to the Congress again, however, an opportunity which it has for a greater improvement of the public service than will be accomplished by this legislation, and at approximately the same cost. I have heretofore recommended that the Congress enact legislation to raise the salary scales for the heads and assistant heads of executive departments and other officials of the executive branch having comparable responsibilities. Bills for this purpose have been reported from committees in both Houses of Congress and have been on their respective calendars for weeks. Though the salaries provided in these bills are not, in my judgment, fully commensurate with the great responsibilities of the positions involved, they would substantially better the present demoralizing situation. The cost of this legislation would be approximately \$1,300,000 annually, compared with \$1,314,000 for clerk hire alone under H. R. 4583, which I have just signed.

Important as it is for Members of the Congress to have adequate clerical assistance, it is at least of equal importance to have men of ability in the key executive positions in the Government. The best of laws can be ruined by poor administration. The success or failure of all the things the United States Government undertakes to do depends in large measure upon the wisdom and ability of these executives. It is upon them that we must rest most of our hopes for economy and efficiency in the Government. Even a small improvement in the economy and efficiency of the vast operations under the direction of these men is obviously of much greater consequence than the cost of the proposed salary increases. The soundness of this principle has been demonstrated in American business concerns, where it is well recognized that the success or failure of an enterprise depends largely upon its executive officers, and their salaries are fixed accordingly.

The relative salary position of Federal executives has become increasingly worse during recent years. There has been no increase in the salaries of Cabinet officers since 1925. Members of important commissions whose salaries were set at \$10,000 many years ago still get the same amount. For example, the salaries of Federal Trade Commission members were fixed at \$10,000 in 1914 and have never been raised, although in terms of real income that amount, even before taxes, is less than half of what it was 35 years ago. The absurdity of the present situation is illustrated by the fact that many Federal executives now have assistants who receive higher salaries than they do.

The Congress has already recognized the need for greater compensation for other groups of Federal officers and employees, including the Members of Congress themselves. Prior to 1925 Senators and Representatives received an annual salary of \$7,500 each. At the same time Cabinet officers received \$12,000 and members of important boards and commissions received \$10,000. In 1925 the salaries of Senators and Representatives were increased to \$10,000 and those of Cabinet officers were increased to \$15,000. No corresponding general increase was made in the salaries of other executive officers. In 1946 the Congress further increased the salaries of Senators and Representatives to \$12,500, and at the same time provided for each of them a tax-free expense



allowance of \$2,500. Because this allowance is tax-free, the compensation of Members of Congress is now equivalent to approximately \$16,000 a year. Thus, the compensation of Senators and Representatives has been more than doubled in the last 25 years, while there has been no general increase at all in the salaries of the executive officials here in question.

Over this same 25-year period the salaries of Federal judges have also been substantially increased. The salaries of district and circuit judges have been doubled, and those of Supreme Court Justices have been increased by more than two-thirds.

The Congress has also raised the compensation of the President, the Vice President, and the Speaker of the House of Representatives. The annual salary of the President was increased from \$75,000 to \$100,000 earlier this year, and at the same time he was provided with a \$50,000 tax-free expense allowance. While this increase was made without any recommendation or suggestion on my part, I am grateful to the Congress for the spirit which moved it to enact the increase speedily in order that I might receive its benefits. Nevertheless, the proposed increases for other officers in the executive branch, besides resulting in far greater public benefit than the increase in the President's salary, would actually do more to improve the President's personal situation than the increase in his own salary. For one of the greatest burdens of the Presidency is in finding and keeping good men for big jobs, and under present conditions that is a most difficult task.

The Congress has already recognized the need for increased compensation for Federal employees below the top executive level. Since 1945 the rates of compensation for these employees have been increased three times, largely to meet increased living costs. These increases have been proportionately greater in the lower grades than in the higher, and in the lower grades the total increases range up to 96 percent. The salary schedules for Federal employees still need revision, and I have recommended such revision to the Congress.

I thoroughly approve of adequate salaries for all our Federal employees. Increased prosperity for our Nation depends upon the constant betterment of the living standards of the great body of our citizens. In the promotion of the general welfare, Federal employees should not be neglected. However, I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government.

It is customary in private industry for an executive to be paid many times as much as he would be paid for comparable work in Government service. Salaries of \$50,000 to \$100,000 a year in private industry are not uncommon. In 1948, General Motors Corp. paid to 53 of its officers and directors an average salary of \$51,760 each. The 15 top executives of the du Pont Co. were paid an average salary of \$213,175 each—an aggregate amount for these 15 men greater than the total salaries now paid to all the 250 or so Federal officers whose salaries would be increased by the legislation before the Congress.

When it is considered that the responsibilities of many top Government executives are far greater than those of any private executive in the Nation it is evident why the Government has great difficulty in obtaining and keeping the best men. Even when they are prevailed upon as a matter of public duty to serve in the Government, too often they find that they can afford to serve for a limited time only. Thus men are lost to the Government just when they have had the experience which brings them to the peak of their effectiveness. Such a process

is obviously poor business and any apparent saving in funds for salaries is obviously a disservice to the taxpayers.

These truths were clearly recognized by the Commission on Organization of the Executive Branch. That Commission urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities. The legislation for increased executive salaries now pending in the Congress is fully supported by the recommendations of that Commission. So long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency.

For the compelling reasons set forth above, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government. Therefore, I again urge the Congress to complete favorable action upon this legislation at an early date.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 23, 1949.

#### INCREASING COMPENSATION FOR HEADS OF EXECUTIVE DEPARTMENTS

(Communication from the President of the United States transmitting his recommendation for the increase of compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank)

THE WHITE HOUSE,

Washington, January 6, 1949.

The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES,  
Washington, D. C.

DEAR MR. SPEAKER: I request that the Congress take prompt action to increase the compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank.

Inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. For most of those positions, there have been no pay increases in many years. In the meantime, other salaries, in both Government and industry, have risen sharply, and opportunities for larger compensation in private industry have greatly expanded.

In recent years, the difficulties of obtaining and holding the best qualified citizens for official positions has definitely impaired the Government service. This condition has now progressed to the point where it constitutes a serious threat to the efficiency of the Government.

The men who hold the offices in question must translate into action the policies determined upon by the Congress. Their ability determines in large measure whether these policies are to succeed or fail. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries.

I recognize that the Government cannot pay salaries equal to those in private industry for positions of comparable importance. But it can reduce the discrepancy enough to permit able and public-spirited citizens to serve the Government without too great a disadvantage.

Fortunately, the Congress is in a position to take intelligent and considered action on this problem without delay. Within the last month extensive evidence on the subject has been presented to a Senate subcommittee and is now available to the Congress. This evidence includes supporting testimony by former President Hoover, as Chairman of the Commission on Organization of the Executive Branch of the Government. The subcommittee examined the problem carefully, fairly, and without partisanship. The bill which

they developed, and which has now been introduced in the Eighty-first Congress, is the result of more than a year's study.

That bill establishes a salary range of from \$17,500 to \$25,000 for the officials in question. These provisions are in accordance with recommendations made to the subcommittee by the administration. I urge their passage in their present form. Questions concerning the compensation of Federal officers and employees not included in this bill should not be permitted to impede or delay its passage, but should be considered separately at an early date.

On January 20 a new Presidential term will begin. During that term the executive branch of the Government will be called upon to bear responsibilities of great magnitude. Prompt action on this bill is of great importance to me in strengthening the management of the executive branch to meet those responsibilities. Its small cost will be repaid many times. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead.

I hope that this legislation will be enacted into law immediately.

Sincerely yours,

HARRY S. TRUMAN.

Mr. REES. Mr. Chairman, I yield myself 10 minutes.

This legislation providing for large increases in the salaries of top-flight people in Government, in my judgment, comes at a rather inopportune time. It is admitted that it is here because it is on the President's agenda and because of pressure from the White House. Let me say, too, that almost every Member in this House has been called upon either by telephone or in person to approve this bill.

Mr. Chairman, it is unfortunate and unfair to bring such an important bill to the floor of the House with only 1 hour's time for discussion. This measure should have opportunity for full and complete discussion by the membership of this House.

It provides for increases of salaries for 240 Presidential employees, all the way from 50 to 100 percent. It has been said that these are recommendations of the Hoover Committee. I disagree with that statement. The committee report states there should be increases in some of the higher positions, but certainly did not name 240 jobs, most of which will be increased from 75 to 100 percent. In my judgment the increases are too drastic. At the proper time I shall offer an amendment that will trim these amounts to considerable extent.

My proposal is that we reduce the amount paid to these Presidential employees. Do not forget we are not considering employees in classified service. These are all Presidential appointees and can be removed at the will of the President.

You will observe they are named in different groups. The first group is the President's Cabinet. The salary increases here are lifted from \$15,000 to \$25,000. I am not presently criticizing that particular category. I realize the members of the Cabinet are entitled to considerable increase in salary and that they have big expense accounts.

But, Mr. Chairman, take a look at the next schedule in section 2, these various Under Secretaries who are increasing their salaries 100 percent. Just think of

it. They receive \$10,000 per year, except probably 2 or 3 who get \$12,000. You hike the salaries of these people up to \$20,000. How are you going to justify your approval of that. I am willing to provide some increases, but these are clear out of line.

The next schedule in the bill, who are assistants in the various agencies, get from \$10,000 to \$14,000 now, and yet under the bill you pay them \$18,000 a year. It seems to me that \$15,000 would be pretty liberal.

Then in the next group are listed, among others, the Federal Mediation and Conciliation Director and the Assistant Federal Security Administrator. They get \$10,000. It seems to me that \$15,000 would be a pretty fair salary.

I would like to speak for a moment about schedule 5, a group of assistant secretaries. Many of these names were put in by members of our committee. They draw \$10,000 now. The bill gives them a 50-percent increase, or \$15,000; \$12,500, it seems to me, would be a reasonable increase.

If you will glance at the last paragraph in the bill, you will find a provision that gives the President authority under certain circumstances to lift the salaries of a number of persons up to \$18,000. The President can do it on his own account without further authority.

Let me say, too, that many of the men selected to fill these jobs are appointed not because of their particular qualifications but because of political affiliations and because of certain loyalties outside of particular fitness for these jobs. I regret to say that there are too many men holding positions in Government that are there because of political pull and not because they are qualified.

On the other hand, we have men in Government about whom you hear very little, but who are devoted to duty and are really underpaid. Among them would be included such persons as the head of the Federal Bureau of Investigation, the head of the Central Intelligence Agency, the Comptroller General, the Director of the Veterans' Administration, and other persons whose responsibilities are great and where public appreciation is comparatively small. Personally, I would like to single out a number of those jobs and pay them salaries to which they are entitled.

Let us not forget that you cannot compare salaries of these persons with the salaries of those employed in industry and business. As I said, there are many men and women who are devoted to their work and who, because they want to serve in these certain capacities, are willing to continue even though they may be offered higher salaries in other fields. Much has been said about competition of industry. The situation is so much different. Men devoted to these higher positions do not work because of salary alone, and so you cannot compare a \$100,000 a year executive in industry with a \$15,000 or \$20,000 a year executive in Government.

Only recently a man employed in a very high position in your Government and mine gave all he had. In fact, he lost his health and his life because of devotion to duty. Raising the salary of

that person would, as you know, make very little difference. It just does not work that way.

Mr. Chairman, there are more than 2,000,000 people employed in Government. There are several hundred employed with comparative salaries. With this bill you reach out and pick 240 and increase their salaries, as I said a moment ago, all the way from \$5,000 to \$10,000 a year. You could easily pick 500 more who are just as important as some of these included in the bill.

Mr. Chairman, I do not believe the President in his message to Congress is quite as forthright and realistic as he might be. I do not want to criticize, but I just do not believe he will have difficulty in finding men to fill these positions if he is looking for them on the basis of qualifications for the jobs. I believe you will find that with the exception of perhaps a half dozen appointees, most of them have to be qualified politically before they qualify otherwise.

Mr. Chairman, the problem of efficiency in Government will not be solved by simply increasing salaries of executives in policy-making positions. We have got to have men in public authority who will give first consideration to efficiency and to the best interests of our Government and its people. We have got to quit making appointments because of political debts or personal friendships.

Let me repeat, there are many capable men in Government and many of them deserve salary increases and many of them could make more money in private industry. Many of them who do leave the Government do it because of inefficiency and a realization that advancement in higher positions does not come alone because they have given their best to their jobs and to the Government they serve.

Again I repeat I do not believe the President will have difficulty finding men to fill high important positions.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Illinois.

Mr. YATES. I heard the gentleman say on other occasions that he is interested in our Government being operated on as business-like a basis as possible. Does not the gentleman agree with the intent of this bill which will certainly permit the attraction of many more capable people to the service of the Government, even assuming that they possess the moral and spiritual qualities which go with it?

Mr. REES. I wish that the views of the gentleman were carried out, but, unfortunately, these jobs do not all go to people who have qualified because of efficient and faithful service in our Government. You can count on the fingers of one hand the number of men holding high responsible positions in this group who secured their positions because of their faithful and efficient service in Government. These people, with the exception of a very few, are appointed from the outside.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. PHILLIPS of California. I am glad to support the gentleman's amendment, but does the gentleman think his amendment will correct the inequalities that exist in the matter of giving the Chairman of the Atomic Energy Commission \$18,000 and the Under Secretary of Agriculture \$20,000?

Mr. REES. It will not correct the inequalities to which the gentleman has called attention. It will be helpful however in that direction. As I said a while ago, this legislation is inequitable in so many respects and yet the leadership of the House has allowed only 1 hour's time in late afternoon, of which we are given only 30 minutes during which to discuss a piece of legislation that not only involves the expenditure of an additional million and a half dollars a year, but provides for the drastic increase in salaries of a selected top flight few in the executive department.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, the gentleman who preceded me said that this is an important piece of legislation. I agree with him in that regard. However, I cannot agree that it has not received full consideration by the Committee on Post Office and Civil Service of the House. Deliberations on this type legislation were started during the Eightieth Congress by a Senate committee headed by Senator Flanders. I was invited to sit with that committee as a guest. I had the privilege and opportunity of observing its work. I heard former President Hoover, Mr. Stevenson, head of the task force of the Hoover Commission, our former colleague, Mr. Ramspeck, and numerous other witnesses testify as to the necessity for this legislation. The adoption of this bill means economy and efficiency in Government and I would like you to follow this reasoning for the moment:

At the present time we have a \$10,000 ceiling on the salaries that may be paid to career employees in the Government service. That is the block that is on the salaries and the block that is on efficiency in Government. As you have heard it stated, we have raised the lower level of employees by 56 percent, yet we have only been able to raise the upper level by less than 15 percent. A man who had a \$9,000 a year job stopped at \$10,000; a man who had an \$8,000 a year job stopped when the increases brought his salary up to \$10,000.

The Hoover Commission recognized this weakness in our pay system and sets it forth in several places in its report as follows:

That in order to release the pressure and to establish a well-grounded merit system, it is necessary to raise the salaries of top-flight Government executives in order that the pressure may be released and we can raise the salaries of those career people who make the Government their life work.

On page 22 of the Personnel Management Report recommendation 11 reads:

Congress should raise the present salary ceiling of \$10,330 for career employees. At the same time, it should increase legislative,



judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above.

The Commission has considered confining these recommendations to the executive branch alone. Although aware that it is exceeding its charter, the Commission has concluded that to recommend any increase in salary without taking the total picture into consideration, would confuse rather than clarify an action that is essential in strengthening our whole Government structure.

On page 37 of the Task Force Report on Federal Personnel it says:

The present compensation of Government officials should be increased, and a permanent plan should be established for keeping all salary levels, fixed by law, properly adjusted.

There must be an adjustment in relation to the salaries of the appointed executives and the salaries of those people who are in the career service. The second recommendation is:

Raise the ceiling of the top civil-service grades (CAF-15 and P-8) to \$15,000.

I submit that it would not be consistent to raise the salaries of civil-service employees, career employees, within the executive departments to \$15,000 a year, and leave that of the assistant secretaries, the work horses of the departments, at a salary lower than that paid to the career employees.

Oh, we have heard a lot about the influence of politics and that sort of thing. That may be true for the glamour jobs, such as the Secretary of State or even the Under Secretaries. But, how about the Assistant Secretaries, the people that do the real executive work in the departments, who carry out the programs laid down for them? How many of you can name a dozen of these Under Secretaries?

The CHAIRMAN. The time of the gentleman from California has expired. Mr. REES. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, the Committee on Post Office and Civil Service labored long on the present legislation. When we started considering salary increases, the finances of this Government and of this country were very different from what they are today. For that reason I, at the present time, have very grave misgivings as to the wisdom of such legislation. It has been said that this bill carries out some of the recommendations of the Hoover Commission. That is true. It has also been said that Members of Congress are getting letters by the thousands from people back home advocating the putting into practice of the recommendations of the Hoover Commission. But, I would like to call your attention to one thing, the people who are writing from back home have not read all of the recommendations of the Hoover Commission. I doubt if any Member now on the floor of this House has read them all, and the reports of the task force. But, the people back home have seen the headlines. And, what do these headlines tell them? They tell them that the Hoover Commission has stated, and knows, that \$3,000,000,000 can be saved in the Federal Government, and that is what the people back home are writing about. They are writ-

ing for economy. They are worried, and they have reason to be worried about the financial structure of this country and of the western world. I do not believe that those same people will be very happy to see us in this House single out just one thing in the Hoover Commission, namely, the increase of salaries for some of the top brackets in the executive branch of the Government.

It has been said that timing is not very important. On the contrary, Mr. Chairman, I believe that timing is all important in Government and in life, and this is not the time to increase the costs of government.

Another thing, why do these increases have to come at the top of the pyramid? I admit that many of these top executives are deserving of far higher salaries than they are receiving. I have no doubt as to that, but I am equally certain that they may be in a far better position to get along and to make ends meet, as has been said here, on their present salaries than many employees in the lower brackets.

We are also constantly told that it is difficult to get the caliber of people that are needed in Government and especially in executive positions. That I believe is a fallacy. The men and the women who want to serve their Government do not serve for cash. They know perfectly well that Government can never compete with private industry. But Government service gives us other things. Government service gives us an inner satisfaction. It gives us the feeling that we are doing our patriotic duty. Not only that, but Government service gives prestige and many other things that no private industry can give an individual. Many of us have gotten to the point where we know there are some things that cannot be purchased with dollars. Surely these men, in executive positions feel that way.

We are certainly not worried about Government employees leaving the Government when we hear that today the Federal Government is taking in employees at the rate of 350 per day. Therefore, that service cannot be so very distasteful.

While I was sitting here I happened to see a headline in a newspaper held by one of my distinguished colleagues on this rather sparsely filled floor. That headline said that there were 15,000 more Federal jobs that had just been restored by the Senate of the United States.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Chairman, this bill has had a great deal of consideration before the House Committee on Post Office and Civil Service. The committee has had at least six meetings on this bill. There has not been a single bill before our committee that has had more time or more deliberation than this bill, with the one exception of the very involved bill for the postal-rate increase. I can assure the members of this committee that each member of the committee had ample time to give his or her reasons both for and against each increase.

The original bill that was presented to the committee was compromised, and

that bill which was submitted by the chairman was finally adopted, with a few exceptions. I can say that this bill not only has the endorsement and support of many of those who appeared before the committee, but it also has the approval of, and is recommended for passage by the American Bar Association. The board of directors of the chamber of commerce have endorsed this legislation. I have a number of telegrams which were sent to various Members of the Senate and House recommending the passage of this particular legislation. I will read a few of these telegrams to different Members from some of the leaders in business as well as leaders in other outstanding organizations:

FEBRUARY 5, 1949.

The Honorable HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

Hope it will be possible for you to support bill to increase salaries of top Government executives. Believe in long run it will be economy measure. Have seen many instances where first-rate men from education as well as business felt they could not afford accept important Government posts. Believe proposed measure would help attract better personnel.

Regards,

DONALD K. DAVID,  
Dean, Harvard Business School.

FEBRUARY 9, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

Having had the experience over the past few years of seeing Government lose the services of very able men because they could no longer afford to work for the meager salaries Government could pay, I respectfully urge you to support Senator FLANDERS' bill to increase salaries of 200 top Government executives. The cost will be comparatively small and the rewards are certain to be great.

W. L. CLAYTON,  
Anderson & Clayton & Co.

FEBRUARY 7, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

I am strongly in favor of Flanders bill to increase salaries of 200 top executives. Hope you can give it your full support.

ALFRED C. FULLER,  
Chairman, the Fuller Brush Co.,  
Hartford, Conn.

FEBRUARY 7, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

Understand bill, S. 498, introduced to increase salary of some 200 top Government executives is up for immediate consideration. Government, the biggest business on earth, needs the best administrators it can get. Hoover is confident his recommendations cannot be carried out except by able administrators and that salary increases are fundamental in attracting right men. I agree with him and hope you do and that you will favor adoption of bill.

FRED LAZARUS, JR.,  
President, Federated Department  
Stores, Inc.

MIDDLETOWN, OHIO, February 7, 1949.  
Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

I strongly urge your support of the bill to increase Federal executive salaries. After

spending a year as chairman of the Advisory Commission on service pay, which made necessary a study of civilian business executives compensation and a comparison with top Government executives' compensation, I am convinced the Hoover recommendations if approved will result in more economic administration.

ARMCO STEEL CORP.,  
CHARLES R. HOOK,  
Chairman.

FEBRUARY 8, 1949.

HON. GEORGE P. MILLER,  
House Committee on Post Office  
and Civil Service,  
House of Representatives,  
Washington, D. C.:

As a businessman, I am happy to endorse House bill 1689, authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC A. JOHNSTON,  
President, Motion Picture  
Association of America, Inc.

FEBRUARY 8, 1949.

HON. HERBERT O'CONOR,  
United States Senate,  
Washington, D. C.:

As a businessman, I am happy to endorse Senate bill 498, authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC A. JOHNSTON,  
President, Motion Picture  
Association of America, Inc.

FEBRUARY 7, 1949.

The Honorable HERBERT O'CONOR,  
United States Senate,  
Washington, D. C.:

I urge support of bill S. 498, to increase salaries of 200 top Government officials, as it would appear almost a governmental necessity to adjust these salaries to modern conditions.

JOHN D. BIGGERS,  
President, Libbey Owens Ford Glass Co.

CANTON, N. C., February 8, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

I am greatly interested in Senator FLANDERS' bill providing for increases in salaries for certain keymen in Government and desire to express hearty approval of Senator FLANDERS' objectives. With all other businessmen and taxpayers, I am most anxious to see great reductions in the cost of Government; but I am convinced that the Government cannot get and keep the type of men it should have in positions of responsibility unless it pays them salaries commensurate with the skill and experience required.

REUBEN B. ROBERTSON,  
President, Champion Paper & Fiber Co.

FEBRUARY 7, 1949.

HON. HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

We New Englanders know value of dollar, but hiring mediocre help is false economy.

Strongly urge your subcommittee to report favorably S. 498. Must pay adequate salaries to obtain competent men to handle biggest business in world.

S. ABBOT SMITH,  
THOMAS STRAHAN CO.,  
Chelsea, Mass.

Mr. REES. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I do not believe there is any great issue involved here. We want these top executives to have an increase in salary. The question is how much? I am going to support the Rees amendment when it is offered for the reason that I feel that the increases granted by it are very adequate at this time.

I know something else which I am sure all of you also know, and that is that salaries, once increased by this body, are never decreased. If we find that the increases which may be granted are not sufficient, Congress can raise the salaries again. But decreasing salaries is a job that we have never been able to satisfactorily accomplish. The increases which are granted by the bill are, in many cases, simply too high to justify their adoption. All the telegrams that have been read to you and all of the recommendations that have been brought out are in favor of salary increases for these 244 executive personnel, but they do not advocate any specific amount. I believe you will find on close examination of the Rees substitute amendment that the Congress will, by passing that amendment, be very generous with its executive officials.

We should note also that everyone who is supporting this bill is opening the gates to all kinds of requests for salary increases from the 2,000,000 or more Federal employees. So we ought to take note of the fact that in pushing for these increases ranging up to 100 percent, it is going to be most difficult to refuse to give increases to others who are doing the hard job of efficiently carrying out the functions of this Government.

So I am going to urge my colleagues that at the proper time they support the Rees amendment, and if that should prove in later years to be insufficient, other increases can be granted.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CORBETT] has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I recognize the need for an increase in salary for the heads of these departments. There has not been an increase for these executives in quite a while. At the same time, I also recognize the fact that the increases should be reasonable ones.

In the bill that is presented the House there is a policy involved. I asked the question of every witness who appeared before our subcommittee whether or not he believed that as a matter of policy, without regard to whether or not congressional salaries were adequate or inadequate, he would advocate more pay for the heads of these executive departments than is received by Senator LUCAS, the majority leader in the Senate, or

that received by the majority leader of the House of Representatives, who must go home every 2 years and seek reelection at the hands of his people. I am still awaiting an answer.

I believe the amendment that has been offered by the gentleman from Kansas [Mr. REES] is reasonable. I have discussed these figures with the gentleman from Kansas. The figures that are presented by his substitute give an adequate and reasonable raise to each of these department heads.

As was so appropriately stated by the lady from New York [Mrs. ST. GEORGE], people do not look to the compensation received in Government as their only incentive for serving. They receive a part of their compensation in the knowledge that they have rendered a public service. The way I look at it, a rich man does not look at the salary he is to receive from the Government of the United States for his service as an incentive. The poor man thinks that \$10,000 or \$12,000 is a good salary and is delighted to get that kind of job. So you are not going to help the situation by raising these salaries 50 or 60 percent, as is called for in the committee bill. I am not willing to say, for instance, that an under secretary of any of the departments is worth as much to his Government and to the people of the United States as the majority leader or the minority leader in either the House or the Senate.

Mr. Chairman, I intend to speak again when the gentleman from Kansas [Mr. REES] has offered his substitute amendment. It is my understanding that there are available quite a number of copies of the Rees amendment and also an outline showing comparison between the Rees amendment, the present bill as amended, the bill as originally presented, and the present salaries drawn by these employees. I figured it up last night for the employees covered by the Rees amendment, some 205, and found that their salaries will be raised by 26.7 percent. In my opinion, that is a reasonable increase.

Not one person appeared before our subcommittee who could tell us of a single instance of a man who was about to resign because his salary was inadequate, nor could they tell us of a single instance in which a man would be replaced if this new salary bill were not enacted, replaced by a better employee.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. GROSS], a member of the committee.

Mr. GROSS. Mr. Chairman, I take this time to briefly state my opposition to the pending bill, H. R. 1689.

I was a member of the subcommittee that held hearings on this measure; I voted against sending any such proposal as this out of the Post Office and Civil Service Committee.

I am not opposed to reasonable and equitable salary increases, but this proposal is unthinkable, unreasonable and inequitable. What is sacred about a \$2,000 or \$2,500 annual salary increase? Yet nearly all these increases are many times that amount.

In the hearings on H. R. 1689 not a single witness attempted to justify the proposed increases on the basis of increased cost of living. Over and over



again we heard the story that salaries at the proposed figures had to be paid to keep private industry from taking men from Government service. Yet not a single witness could or would produce figures to substantiate claims that those leaving Government service for private employment had bettered themselves materially.

In considering this outlandish salary increase proposal let's also keep in mind that many of those benefited under this measure are supplied with automobiles, chauffeurs, and practically unlimited expense accounts.

I say again that I am not opposed to reasonable salaries for Government officials. But in this matter, let us start with the little fellow at the bottom of the list—raise these workers where increases are needed. If there's anything left then apply it at the top. In other words, let us reverse the old procedure of giving the crumbs to the little fellow at the bottom of the list.

Yesterday, President Truman told newspaper reporters he is bullish about the economic condition of this country. In the same issue of the same paper—Washington Star—Secretary of Agriculture Brannan is quoted as saying the economic situation of farmers is becoming serious. The President ought to know that in a Nation, whose basic industry is agriculture, there is no reason for feeling bullish when the economic situation of farmers is serious.

Any such salary increases as proposed here are not compatible with the economic and debt situation that confronts this country. Further unnecessary expenditures on the part of the Government will only produce greater deficits and no matter how thin President Truman slices his bullishness the result will still be the same.

This bill will set a bad precedent in the matter of salaries and wages. It should have been amended in committee, not on the floor of the House. I am against it and whether or not there is a roll call my vote is hereby recorded in opposition.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, this bill should be returned to the place whence it came and in due time returned to the lodge, and if a member of the committee itself does not offer a motion to recommit I shall do so on the basis of the inequalities which appear in the bill.

If the Members will read the bill they will see what I mean. The Under Secretary of any department, the Under Secretary of Agriculture, for instance, is to receive \$20,000 under the bill, but the Chairman of the Atomic Energy Commission, who has one of the most responsible jobs in the United States today, is to receive \$18,000. The head of the CIA is increased from \$14,000 to \$17,500, while J. Edgar Hoover, head of the FBI, is increased from \$14,000 to \$15,000.

Every one of these Under Secretaries and Assistant Secretaries will receive more than Senators and Congressmen, yet do not have the expenses laid upon

them that are laid upon Members of Congress.

The Chairman of the Council of Economic Advisers is to be rewarded with a salary of \$17,500 while, as I said, the Assistant Secretaries of the various departments are to receive as much as he will get.

The head of the Reconstruction Finance Corporation, handling billions and billions of dollars, is to be given a salary of \$16,000 a year while the Under Secretary of Commerce is to receive \$20,000 a year.

Mr. Chairman, there is no justification for this lack of balance in the bill about which I am speaking. I have so little time that I cannot go into more detail, however if the Members will take the list of salaries in the mimeographed statement, or in the bill itself, they will understand what I mean by saying this bill should be sent back to the committee for the correction of its obvious inequalities.

Mr. Chairman, what brought up a bill like this? At the present time there are probably not more than a few dozen salaries in the entire Government picture that actually need to be increased, and these are specialists of various kinds. There are specialists in the Department of Agriculture, with whom the gentleman from Georgia, who has just risen, is familiar. Two or three of these specialists in their lines finally left the department because they could get higher salaries in outside positions; yet it was stated they would have stayed if the salary were raised from \$10,000 to \$15,000. We tried to meet that situation in the Appropriations Committee by allowing three salaries to go above \$10,000, but not over \$15,000, but another body of the Congress decided against this change. This does not mean we have to take every salary in Washington and raise an assistant secretary, for example, above men who administer large and important Government agencies.

Mr. REES. Mr. Chairman, I yield the remainder of my time to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I had not intended to speak on this bill, but there has come to my attention what is taking place in the city of Detroit or in the Detroit area. I think it worth while to mention it to the House. Canada has repealed its wartime excise taxes. As a result of that, the jewelers in Detroit find that people are crossing the Detroit River to Windsor, Canada, just 1 mile away, to make their purchases. They go to Canada and buy their jewelry where there is no excise tax. We still have an excise tax of 20 percent on jewelry. People are crossing the river to buy transportation tickets because they can buy them 15 percent less than they can buy them in the city of Detroit. Why? Because the United States has not reduced its wartime excise taxes and Canada has. There is no restraint on public spending. No effort toward economy, and there is no hope for the reduction of taxes. Only a change in public opinion or collapse of our economic system will halt this spending spree.

I realize this is a small bill, with probably less than \$1,250,000 involved, and

no doubt there are many justifications in this bill for an increase in salary. One, in particular, I think, should be increased more than it is, and that is the salary of J. Edgar Hoover, head of the FBI. That agency has served this Nation in a splendid way and has kept a leash on those within our midst who would destroy this Government and its way of life.

In my opinion there is no restraint on Federal spending here in the Nation's Capital. If one looks at the report of the Secretary of the Treasury, he will become alarmed. Here are his figures which I am going to give you. It shows that there is a change of over \$10,000,000,000 in receipts and expenditures of this Government in the short space of 12 months. When will Federal spending be curtailed or reduced? Not one of us in this body nor anyone else has ever been able to beat simple arithmetic. It cannot be done. As an example of public spending, take the subject of eggs. It has cost the taxpayers of this country \$93,000,000 for the support price on eggs alone during the last year. That is just one thing.

In addition to that, here are the figures from the Secretary of the Treasury summarizing budget results for the fiscal year 1949 compared with 1948. In 1948—and I am speaking of the fiscal year—the receipts of this Government were \$42,250,000,000; for 1949, \$38,000,000,000, a drop of almost \$4,000,000,000 in receipts.

What about expenditures? In 1948 expenditures were approximately \$34,000,000,000; in 1949, approximately \$40,000,000,000, or an increase of over \$6,000,000,000, and the deficit we find this year, as it ended on July 1 for the fiscal year, was \$1,810,000,000. The difference between receipts in 1948 and in 1949, and the expenditures amount to \$8,419,000,000, or a total change of over \$10,000,000,000.

I admit that \$1,250,000 provided in this bill will not provide an enormous strain on the financial structure of the Government, but it does become alarming when we consider the trend in this country.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Georgia.

Mr. PACE. I just wanted to state that it seems to me very unfair to grant Mr. Hoover, who is trying to protect the security of this Nation, a raise of only \$1,000, while you are granting men of lesser or insignificant responsibility raises of from \$7,000 to \$10,000.

Mr. DONDERO. The gentleman is entirely correct, and I agree with him.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kansas.

Mr. REES. I will say to the gentleman that in the original bill J. Edgar Hoover was not even included, but the committee put him in for an additional \$1,000.

Mr. DONDERO. Yes, I understand that; and when we consider that increase in pay with the increases accorded to others, I think it is insignificant.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I join with my colleagues who look upon our Federal budget today with concern. The gentleman from Michigan [Mr. DONDERO] spoke apparently in support of the repeal of the excise taxes. I realize that these were wartime taxes and we should take wise action in determining what is best for our entire economy with reference to excise taxes. However, I think the gentleman needs to recall the action of the Eightieth Congress and be frank enough to admit that we have the excise taxes today because they were made permanent during the Eightieth Congress in order to effect the Eightieth Congress income tax cut. It is generally conceded that the income-tax cut made during the Eightieth Congress could not have been done without the retention of the excise taxes. Therefore, in a large measure the condition of the Federal budget position today is due to the action of the Eightieth Congress in cutting income taxes at a time when there was little demand for such action except from those best able to pay. I recognize the fact that it now appears perhaps unwise to increase taxes, but we should certainly orient our thinking in terms of what is best in carrying out the services of the Federal Government and not make the mistakes that were made in the Eightieth Congress in breaking down the tax-producing methods that are so essential if we maintain the services demanded by the people of this country.

I am one of those who believe in protecting our Federal economy by bringing into the Federal service our best and most able administrators. Therefore, must we not, Mr. Chairman, take action now in behalf of our national economy by extending some degree of consideration to those key men in the Federal service who must have some consideration from this Congress. We certainly will take favorable action if we believe in good administration.

At the present moment it appears that there is pending before the Congress for national defense a suggested appropriation of \$13,000,000. I submit, Mr. Chairman, that we could very easily suggest some real economy in the national-defense program to the end that the amount of money represented by the increase in Federal expenditures in this bill could easily be absorbed without injury whatsoever to the national-defense program.

Mr. Chairman, the Comptroller General of the United States, the Honorable Lindsay C. Warren, is looked upon by all of us who know him as one of the most outstanding public servants in the Federal service. Within recent days Mr. Warren appeared before the Subcommittee on Compensation and Personnel, Committee on Post Office and Civil Service, United States Senate, in support of additional compensation for key personnel in the Federal service. I would like to quote from the statement by our

able and outstanding Comptroller General:

I served for 16 years as a Member of the House of Representatives. Throughout that period and in my present capacity as Comptroller General, I have been deeply concerned at the growing difficulty of attracting able men to the service of the Government and keeping them there. I do not intend what is said here to be taken as criticism of any officer now in the Government. Indeed, I have said many times that we have some of the finest administrators to be found anywhere. Rather it is my hope that something will be done to keep these men and to obtain the services of others of equal caliber.

The task of administering a large and far-flung organization is by and large one of getting the right men for the right jobs and retaining them. The necessary formula for a successful private business is to get the best men you can to run it, whether at high cost or low. Such necessity is tenfold greater in the Government—the biggest business in the world—where the stakes are so high, the operations so broad, and the pitfalls so deep. We cannot hope to get and retain such men if we will not pay the price. Right now I think it will be conceded that the reward—if it can be called that—for public service too often is pitifully inadequate. Too often the compensation is trivial when compared to the job being done and what could be earned elsewhere. It has driven out many of those best qualified, has created hardship on those who stay at their posts through devotion to duty, and operated as a deterrent to any effective injection of new blood.

There are both rewards and penalties for those in public office. I do not advocate that the Government meet salaries offered by industry, because that cannot be afforded. But at least the salaries should be such as to attract and keep able public men without too great a sacrifice on their part. Widely in the Government service there are spread groups of fine employees who demand and are paid the prevailing wage scale. The Congress requires that the same scale be paid by those holding large Government contracts. I know no justification at all for denial of somewhat more nearly prevailing wages for the relatively few executives who are responsible for directing the far-flung activities of the Government. It is obvious that some (I repeat some) narrowing of the widespread in executive salaries between private and public business is called for.

I do not plead the cause of any job holder, or ask for help or benefits for anyone, no matter how deserving. It has been and is my policy—though sometimes seeming to be a voice crying in the wilderness—to speak out for the interests of the Government, which means for the interests of the United States as a whole. Government is called upon to be, in a worldly sense, the savior and protector of all of us, our bulwark for a free economy in a troubled and confused world. Is it not obvious we hurt ourselves, that is, our country and its people, when we fail to provide the wherewithal to get done the job the people demand? Are we not being penny wise, pound foolish?

What are the facts? I know of my own knowledge of a number of agency heads who after fine and faithful service were forced to leave for the greener pastures elsewhere, and I know of many other able men whose services the Government was denied because in this competitive world the biggest business of them all could not reward them according to their worth. The fact is that in some quarters the turn-over has been so frequent that no sooner do we in our daily contacts get acquainted with those in charge than they are changed and new ones come in. The sad part is that many leave just as they have learned to know their jobs and are in position to render service of real

value—and sometimes even before. Some executive positions in the Government have gone begging for months.

In my reports to Congress I have called to account time and time again agencies which were poorly run, inadequately staffed, incompetently managed. This has been done in pursuance of my duty under the law, and with full knowledge that the need is for better management in the executive positions. We have all said we must have better men to turn the wheels of Government. But here as anywhere else, you get only what you pay for.

Anyone who really seeks better Government, who opposes waste, extravagance, and inefficiency, will further that cause by supporting this legislation to give the President the best human equipment to run this complicated Government machine. I think this bill goes far—perhaps here and there not far enough—to supply that need. I endorse it wholeheartedly and congratulate you gentlemen for your resolution to do something to remedy a bad situation in our Government.

Mr. Chairman, there has long been a compelling need to increase the rates of compensation of heads and assistant heads of the executive departments and other officials of the Government who are charged with much responsibility. I sincerely feel that some action in this direction must be taken if the Government is to obtain and keep the services of qualified executives. The Government may be able to obtain the services of persons to fill these responsible positions at the present salary rates only if it disregards the qualifications of such persons.

Once the services of capable persons are obtained for these executive positions, consideration must be given to the retention of them. Any appreciable turn-over in top-flight executives is not in the interest of the Government. Many top-flight executives will remain in these Government positions where extraordinary ability is required for a limited time only unless there is some provision for adequate salaries.

The annual salaries of top executives in outside industry, in positions comparable to the positions covered in this proposed legislation, range from \$75,000 to \$300,000 per annum.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, I take this time to correct one or two of the remarks made in debate by the opponents of this pay increase.

The gentleman from Pennsylvania observed that once pay increases are given there is no tradition of any reduction. I would remind him of the Economy Act of 1934, which is within the memory of most of us, when Government salaries were reduced by 15 percent.

The opponents of this increase are, however, in good tradition in insisting upon low pay for public servants. The expression of this attitude goes back to the Constitutional Convention in 1887. At that Convention, Mr. Gerry, from Massachusetts, stated:

One of the principal evils in representative government arises from the want of due provision for those employed in the administration of government. It would seem to be a maxim of democracy to starve the public servant.



For the information of the committee, a comparison of the salaries now being paid to the civilian employees of the Government with those which this House approved for the members of the armed services points out some rather interesting contrasts. At the present time, according to the committee report, there are slightly over 3,000 civilian employees who receive more than \$10,000 a year, out of about 2,000,000 employees. Under the pay bill we have just passed there will be 27,784 members of the armed services who will receive more than \$10,000 per year, out of slightly more than 1,500,000 members.

There has been some concern expressed here that Government employees should receive a good deal of satisfaction which is nonfinancial or nonpecuniary in nature. Let me say to the members of the committee that if this pay bill is passed Government employees will still have an opportunity to enjoy that kind of satisfaction. The salaries proposed in this bill are so far below those paid in comparable positions in private industry that public service will not be for sale and loyalty and patriotism not reduced to a cash-payment basis.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum.

SEC. 2. (a) The rate of basic compensation of the Chairman of the Atomic Energy Commission, the Administrator for Economic Cooperation, the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Chairman of the Board of Governors of the Federal Reserve System, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be \$22,500 per annum.

(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$22,500 per annum, three at rates not exceeding \$20,000 per annum, and seven at rates not exceeding \$17,500 per annum."

(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

SEC. 3. (a) The rate of basic compensation of the Housing and Home Finance Administrator, the Federal Works Administrator, the members (other than the Chairman) of the Board of Governors of the Federal Reserve System, the members (other than the Chairman) of the Council of Economic Advisers, the members (other than the Chairman) of

the Atomic Energy Commission, the Public Printer, the Librarian of Congress, the Federal Mediation and Conciliation Director, the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Director of Central Intelligence, the Deputy Administrator for Economic Cooperation, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Executive Assistant Administrator of Veterans' Affairs, and the Assistant Federal Security Administrator shall be \$20,000 per annum.

(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$20,000 a year."

SEC. 4. (a) The rate of basic compensation of the members of the Home Loan Bank Board; the Public Housing Commissioner; the Federal Housing Commissioner; the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; the Archivist of the United States; of all members of the Civil Aeronautics Board; the Displaced Persons Commission; the Board of Directors of the Export-Import Bank of Washington; the Federal Communications Commission; the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency); the Federal Power Commission; the Federal Trade Commission; the Interstate Commerce Commission; the National Labor Relations Board; the National Mediation Board; the Railroad Retirement Board; the Board of Directors of the Reconstruction Finance Corporation; the Securities and Exchange Commission; the Board of Directors of the Tennessee Valley Authority; the Civil Service Commission; the United States Maritime Commission; the United States Tariff Commission; the Indian Claims Commission; the War Claims Commission; the Philippine War Damage Commission; the Board of Commissioners of the District of Columbia; of the General Counsel of the National Labor Relations Board; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmaster General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; the Architect of the Capitol; the Assistant Federal Works Administrator; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$17,500 per annum. Notwithstanding the act of February 23, 1931 (5 U. S. C. 152a), the salary of the legal adviser of the Department of State shall not be increased as a result of this act.

(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: "The Assistant Director shall receive a salary of \$17,500 a year."

SEC. 5. In any case in which the chairman or other head of a board or commission, the rate of basic compensation for members of which is prescribed by section 4 of this act, has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of \$20,000 per annum.

SEC. 6. (a) Section 364 of the Postal Rate Revision and Federal Employees Salary Act

of 1948 is hereby repealed effective as of July 3, 1948. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the date of enactment of this section for any period prior to the date of enactment of this act in the case of any person who is not an employee in or under the municipal government of the District of Columbia on such date of enactment.

(b) Effective as of the first day of the first pay period which began after June 30, 1948, each of the rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946 (U. S. C., title 22, secs. 867 and 870) which do not exceed \$10,000 are hereby increased by \$330. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the date of enactment of this act in the case of any person who is not a Foreign Service officer or a Foreign Service staff officer or employee on such date.

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute.

Mr. MURRAY of Tennessee. Mr. Chairman, this bill is in the form of a committee amendment. The original bill was stricken out and this language inserted. I think the committee amendment should be perfected by any amendments before the substitute is taken up.

The CHAIRMAN. The Clerk will read the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum."

"SEC. 2. (a) The rate of basic compensation of the Administrator for Economic Cooperation, the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be \$20,000 per annum."

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"§ 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$20,000 per annum, three at rates not exceeding \$18,000 per annum, and seven at rates not exceeding \$16,000 per annum."

(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

"SEC. 3. (a) The rate of basic compensation of the Housing and Home Finance Administrator, the Federal Works Administrator, the Chairman of the Atomic Energy Commission, the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Deputy Administrator for Economic Cooperation, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, and the Deputy Administrator of Veterans' Affairs shall be \$18,000 per annum."

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$17,500 a year."

"(c) The rate of basic compensation of the Public Printer, the Librarian of Congress, the members (other than the Chairman) of the Council of Economic Advisers, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be \$17,500 per annum.

"Sec. 4. The rate of basic compensation of the members of the Board of Governors of the Federal Reserve System; the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; the Chairman of the Board of Directors of the Export-Import Bank of Washington; members of the Federal Communications Commission; members of the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency); members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; the Chairman of the Board of Directors of the Reconstruction Finance Corporation; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; members (other than the Chairman) of the Atomic Energy Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; and the Assistant Federal Works Administrator shall be at the rate of \$16,000 per annum.

"Sec. 5. (a) The rate of basic compensation of the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the Board of Directors of the Reconstruction Finance Corporation; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclama-

tion; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$15,000 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of \$10,330 per annum.

"(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of \$15,000 a year.'

"(c) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

"Sec. 6. In any case in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of \$18,000 per annum.

"Sec. 7. (a) Section 304 of the Postal Rate Revision and Federal Employees Salary Act of 1948 is hereby repealed effective as of July 3, 1948. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the effective date of this act in the case of any person who is not an employee in or under the municipal government of the District of Columbia on such date.

"(b) Effective as of the first day of the first pay period which began after June 30, 1948, each of the rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946 (U. S. C., title 22, secs. 867 and 870) which do not exceed \$10,000 are hereby increased by \$330. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the effective date of this act in the case of any person who is not a Foreign Service officer, a Foreign Service Reserve officer, or a Foreign Service staff officer or employee on such date.

"(c) No person whose compensation is increased by this section shall be entitled to any overtime pay, or compensation for night and holiday work, as provided in sections 201, 301, and 302 of the Federal Employees Pay Act of 1945, as amended, based on the additional compensation provided by this section for any pay period ending prior to the effective date of this act.

"Sec. 8. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. MURRAY of Tennessee (interrupting the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I have several amendments at the Clerk's desk, which I now offer.

The Clerk read as follows:

Amendments offered by Mr. MURRAY of Tennessee:

On page 7, line 3, insert before the word "each", the following: "the Administrator of General Services."

On page 7, line 25, and page 8, line 1, strike out "the Federal Works Administrator."

On page 9, lines 17 and 18, strike out "Assistant Federal Works Administrator", and insert in lieu thereof the following: "Deputy Administrator of General Services."

On page 9, line 21, strike out "War Assets Administrator", and insert in lieu thereof, the following "Director of the Bureau of Federal Supply."

Page 9, line 23, insert after "States", the following: "the Assistant Architect of the Capitol."

Mr. ROGERS of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment to section 3 on page 8. Would it take precedence over everything after that, or will I have the opportunity to offer it after the gentleman from Tennessee discusses these amendments?

The CHAIRMAN. The gentleman from Florida may be recognized to offer his amendment after the pending amendments are disposed of.

Mr. MURRAY of Tennessee. Mr. Chairman and members of the committee, these amendments, with the exception of the last amendment which was read by the Clerk are offered because of the enactment of the Federal Property Administrative Services Act of 1949, which was approved on June 30, 1949. This act transferred the functions of the War Assets Administration, the Federal Works Agency, the National Archives, and the Bureau of Federal Supply to the new agency known as the General Services Administration.

Because of this consolidation, the amendments are necessary to eliminate from H. R. 1689 the following positions: Federal Works Administrator, Assistant Federal Works Administrator; and the War Assets Administrator. All three of these positions were abolished by this act creating the Federal Property and Administrative Services. The act also provides for the appointment of an Administrator of General Services. He has already been appointed. His nomination has been confirmed by the Senate. The man is Mr. Jess Larson. The purpose of these amendments is to strike from this bill the War Assets Administrator, the Federal Works Administrator, the Deputy Federal Works Administrator, and to put in Mr. Larson as head of the Administrative Services Agency, putting him in the \$20,000 bracket, because he has a most responsible position, having charge of public buildings, Federal works, ordering supplies, public roads, and the National Archives. Since the position of the Federal Works Administrator and the Deputy Federal Works Administrator and the War Assets Administrator have already been abolished by act of Congress, I am sure there can be no objection to striking those positions out of this bill and having the Administrator of General Services, and also



the Deputy Administrator of General Services included in the bill.

I propose to put the Administrator of General Services in the \$20,000 bracket and the Deputy General Services Administrator in the \$16,000 bracket. That is the purpose of the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Tennessee [Mr. MURRAY].

The amendments were agreed to.

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee amendment.

Mr. ROGERS of Florida. Mr. Chairman, I have a perfecting amendment to the committee amendment, which would take priority, as I understand it.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. ROGERS of Florida. Mr. Chairman, I have a perfecting amendment to the committee amendment, which would take precedence, in my opinion, over the substitute.

The CHAIRMAN. The Chair desires to make a statement. There is pending before the Committee a committee amendment. The gentleman from Kansas [Mr. REES] has offered an amendment which the Chair understands is in the nature of a substitute amendment. The gentleman from Florida, or any other Member, can offer amendments perfecting the committee amendment. The order will be, first, the amendment perfecting the committee amendments; next, on the perfecting amendments, if any, to the substitute amendment; then on the substitute amendment; and then on the committee amendment.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. If the substitute amendment is voted down, will the committee amendment still be open to amendment?

The CHAIRMAN. It will. The Clerk will report the amendment offered by the gentleman from Kansas.

Mr. ROGERS of Florida. Mr. Chairman, a point of order. My amendment is a perfecting amendment to the committee amendment. Will that not take precedence?

The CHAIRMAN. The gentleman will have an opportunity to offer his perfecting amendment.

The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. MURRAY of Tennessee. Mr. Chairman, the Clerk did not read the last two amendments which I have on the Clerk's desk, which are perfecting committee amendments.

The CHAIRMAN. After the Clerk reports the amendment offered by the gentleman from Kansas [Mr. REES] the Chair will direct the Clerk to report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Substitute amendment for the committee amendment offered by Mr. REES: "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be \$17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$16,000 per annum, three at rates not exceeding \$15,000 per annum, and seven at rates not exceeding \$12,000 per annum."

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Director of the Federal Bureau of Investigation, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be \$15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communication Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant

Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of \$10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$12,500 a year."

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of \$11,000 a year.'

"(d) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

"SEC. 5. In any case in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of \$15,000 per annum.

"SEC. 6. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. CORBETT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the substitute be dispensed with. It is rather lengthy, but I understand copies are available at the Clerk's desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Would the gentleman from Kansas object to the Clerk reporting the amendments offered by the chairman of the committee [Mr. MURRAY]?

Mr. REES. I have no objection, Mr. Chairman.

The CHAIRMAN. The Clerk will report the committee amendments offered by the gentleman from Tennessee.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee:

Strike out section 7, beginning on page 12, line 1, and ending on page 13, line 2.

On page 13, after line 2, insert the following new section:

"SEC. 7. The applicable appropriation for the fiscal year ending June 30, 1950, shall be available for payment of compensation at the rate established for any position by or pursuant to this act unless it is specifically provided that such appropriation shall not be available for such purpose."

Mr. MURRAY of Tennessee. Mr. Chairman, the first amendment strikes out section 7, and is offered for this reason: It provided for a retroactive increase to July 1, 1948, of the classified employees of the District of Columbia and the foreign service, of \$330 per annum. As the Members know, the Congress has already passed a bill authorizing retroactive pay of \$330 per year for the employees of the District of Columbia and the Foreign Service, to July 1, 1948. So this language is not necessary and should be stricken out, because it has already been taken care of by separate legislation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. DONDERO. And that will reduce the amounts specified in the report from about \$6,000,000 to \$1,237,000?

Mr. MURRAY of Tennessee. That is correct.

The second amendment, Mr. Chairman, is simply a clarifying amendment providing that the appropriations ending June 30, 1950, shall be available for the payment of this compensation.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. REES. Mr. Chairman, in an effort to facilitate matters, because of the short time during which to discuss this measure, being only 30 minutes on our side, I have made reprints of my amendment available, also mimeographed copies of comparative statements with respect to the changes I propose in this legislation.

Before beginning a discussion of this amendment I recall that J. Edgar Hoover's name has been mentioned several times by other Members during this discussion. I also hold Mr. Hoover in the highest regard. In fact, I think he is one of the greatest men in Government today. Sometimes I think he has not received the support to which he is entitled, but let me say to you that when the bill was first submitted, the office of the Federal Bureau of Investigation was not included. It was put in the bill, however, by the committee at a salary of \$15,000. My amendment does not change that figure. Personally, I agree he is entitled to higher pay.

Mr. Chairman, as I said at the outset, I am not objecting to reasonably increasing the salaries of this group of employees. I call your attention to the fact that these 240 people are not civil-service employees. Very few of them ever have been; so do not get them confused, please, with career employees. These people are appointed to jobs, appointed by the President, some confirmed by the Senate and others not.

My amendment does not affect the salaries of the members of the Cabinet, although you do increase their salaries as much as 66 percent in this bill. Now look at section 2 of the bill. You will find the Under Secretaries, and there are many of them who are presently being paid \$10,330 a year. There are about four exceptions who get \$12,000. Under this bill you pay them \$20,000. In other words, you double their salaries at one swoop. My amendment attempts to compromise that figure. It seems to me that \$20,000 for these Under Secretaries is far out of line.

Section 2 of this bill authorizes the President to employ assistants to the President, special counsel to the President, and secretaries to the President. In section 3, you have various assistants and deputy administrators, several of them presently receiving \$10,000. This bill would pay them \$17,500, an increase of \$7,500 per year. This is an increase of 75 percent.

There is mentioned in this bill an office that many never heard of before, the Director of the Administrative Office of the United States Courts. He now gets \$10,000; under this bill you give him \$17,500. I think \$12,500 would be liberal for that job.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Georgia.

Mr. COX. I have examined the schedule prepared by the gentleman and which has been distributed pretty generally here in the House. I am wondering if the gentleman would not be willing to accept an amendment to his substitute by striking out the figure \$12,500 appearing in line 7 on page 5, and inserting in lieu thereof \$14,000?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Chairman, will the gentleman repeat his question?

Mr. COX. Would not the gentleman consider amending his substitute by striking the figure \$12,500 on page 5, line 7, and inserting in lieu thereof \$14,000? In the category you deal with there you have members of the Federal Trade Commission and others holding very responsible positions and they seem to be entitled to better treatment than the gentleman has suggested in the amendment he has offered.

Mr. REES. I may say to the gentleman I realize there are a number of public officials who are entitled to more pay than they receive. I appreciate the gentleman's views as I respect his opinion with regard to other matters that come to the floor of the House for consideration. His amendment relates to members of various commissions. I thought an increase of \$10,000 to \$12,500 should under the circumstances, be fair. These are appointive positions and usually extend over long periods of time. If the gentleman will submit his amend-

ment in due time and the House wants to approve such increase, I will, of course, be required to submit to his proposal.

Mr. Chairman, a great deal has been said on the floor of the House about getting better qualified people for these particular jobs appointed by the President. I do not believe you will find men of much different caliber or qualifications in these positions just because you increase their salaries by 50 percent and 100 percent as you are doing under this legislation. It will be interesting to observe, in the event this bill is approved, whether there are changes in the appointments in these positions.

Men who serve in public office, which include Members of Congress, do not necessarily serve because of the salary they receive. Of course, they are entitled to sufficient salary to carry on, but they do not expect to make money out of such service. There are those who will tell you about certain individuals here and there who have served the Government faithfully and well and go out in industry and do better. I agree with that, but they accepted such positions because they wanted to serve their Government, and their country; otherwise they would not have been in Government at all. For instance, we read in the newspapers about one man who served in the President's Cabinet who could have commanded a much higher salary on the outside, but he stayed on the job in devotion to his duty. You cannot pay salaries to attract people like that to these jobs. There are many men who secure appointments not because of their particular qualifications. Too many are appointed because of political affiliation and by reason of service rendered to the party and contributions made to the party, rather than because they are particularly qualified for the jobs. In other words, political service comes first and qualifications second. Do not misunderstand me. This is not true in all cases, but in far too many. It would be interesting if you would take the time to look the list over and see how many are included in this bill who are appointed because of the reasons I have indicated.

I want to call your attention to one big factor in connection with this bill. After you have raised the salaries, as proposed in this bill, you are going to be confronted with additional bills that will raise salaries clear across the board and which will amount to not millions but to as much as \$2,500,000,000.

I make this statement for the reason that in approving this legislation you are, as a matter of policy, approving much higher salaries for thousands of employees who now receive a \$10,000 salary ceiling. As a matter of fact, there are thousands of faithful career employees who are just as much and even more entitled to such increases than those included in this special legislation for a selected few you are considering this afternoon. Again let me repeat these are not career employees.

Mr. Chairman, much has been said about the recommendations of the Hoover Commission. In this particular case the Commission did recommend higher



pay in policy-making positions, but certainly did not recommend these figures. But more important, I am sure, it was the intent of the Commission in making such recommendations that those employed would be appointed because of their particular fitness for the job and that political affiliation or obligation would be secondary.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Members will vote this substitute amendment down. Your Committee on Post Office and Civil Service gave long deliberation to this bill. It is a compromise bill. This bill was introduced at the opening of Congress, and the Committee on Post Office and Civil Service did not reach a conclusion on the bill until March. So they had it under consideration for over 2 months. We had extensive hearings. We went into the matter most thoroughly and carefully, and, as I said, every position in the bill as originally introduced was lowered in salary except the salaries of the members of the Cabinet. We lowered the salaries of all other positions besides the Members of the Cabinet as much as \$2,000 to \$2,500.

I hope you will stay with the committee and vote this substitute down, because the substitute proposed is not justified by the gentleman from Kansas, who proposes to cut the salaries of some of these officials from \$17,500 to \$12,500. He makes a reduction of \$2,500 in the salaries of officials getting \$20,000. Then he reduces the salaries of those in the \$18,000 bracket to \$15,000, a reduction of \$3,000. Then he reduces the salaries from \$17,500 to \$15,000, a reduction of \$2,500. Then he reduced the salaries of those listed at \$16,000 in this compromise bill to \$12,500. Then he reduces the salaries of those listed at \$15,000 to \$12,500.

I know that the Members present here have not had the time, the opportunity, or the privilege to study this matter as the members of the Committee on Post Office and Civil Service have. We have worked long on this. We have brought out a good bill. It is a fair compromise. It is not exactly what the President asked for. We reduced the amounts in some cases. But I do say this, this is a non-partisan measure; it is a bipartisan measure, and the salaries proposed are in line with the salaries of a bill introduced by the Republicans over in the other body at the Eightieth Congress. So it is not in any way a partisan matter, and I appeal to the Members to vote down this substitute.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The argument advanced by the gentleman from Tennessee, I trust, will commend itself to the Members of the House. The Committee on Post Office and Civil Service has given this matter very serious consideration. The bill before us now is a compromise bill, reducing, outside of the members of the Cabinet, the amounts

recommended and sought for by the President. Now, if the substitute is defeated, then, on particular positions—such as the Director of the Federal Bureau of Investigation—an amendment can be offered to the committee amendment which will be pending before the House, and the few inequities that might exist in the minds of some Members can be clarified through such an amendment offered from the floor. I join with the chairman of the committee in expressing the hope and urging that the substitute offered in good faith, as it always is by the gentleman from Kansas, will be rejected.

Mr. MURRAY of Tennessee. I thank the gentleman from Massachusetts.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Texas.

Mr. LYLE. I am impressed with the fact that this is not a salary-increase bill. I think, for the first time in the history of this country, your committee has studied the jobs affected and the work that they do and the responsibilities, and have set such salaries commensurate, so much as they could, with the work and not with the personalities involved. As I understand, it is not a salary increase for the people concerned that is involved, it is a reclassification of the positions, with the salaries being changed so as to be more nearly in accord with the responsibilities of those positions.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Georgia.

Mr. COX. I have no quarrel with the position taken by the gentleman from Kansas, but I do wish to make this observation. The gentleman will be able to get the same consideration on the committee bill that he could get if his substitute were adopted. In other words, I cannot see the importance of the adoption of the gentleman's substitute in order to get consideration for the changes he desires.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a great deal has been said about timing in this bill and a great deal has been said about compromises. The bill as it now stands is a compromise. The original bill as introduced by me called for salaries of \$17,500 for those positions which are fixed in the bill at \$15,000. In the spirit of compromise in the committee, I accepted that. We fought that all out, and I thought that we were through.

May I read what Mr. Hoover had to say in connection with the original Flanders bill, from which the original bill, H. R. 1639, was taken. Appearing before the Flanders committee he said in part:

I have seen the question raised that this means a vast increase in the expenditures of the Government and the advocacy of such a measure on the part of such a commission as the Commission on Reorganization is a contradiction of its purpose—reduction of expenditures.

As the Commission has recommended it, it somewhat conflicts with the idea of reducing expenses; but, as a matter of fact, there is no greater economy in the Government than the attraction of greater ability and greater skill.

That is what this proposes. Let me reiterate what I have said before. The Hoover Commission has recommended in Appendix A of the Task Force Report that grades CAF-15 and P-8 be set at \$15,000. Those are merit service jobs. These are the civil-service jobs. It is said the level should be raised to \$15,000, and this bill places the assistant secretaries, who will supervise these high-ranking Government officials, at the same level that that it is proposed to pay them. I submit it is not good business, if we are going to carry out the Hoover Commission report, to pay civil-service employees \$15,000 a year, and pay the executives who will administer and direct those people, \$14,000 a year, or \$12,500 a year. Verily, I say to you this is penny-wise and pound-foolish. We have heard this argument about the salaries of Members of Congress, and that they should not be paid more than that. Let us be factual. Our salaries are \$16,500 a year. We pay ourselves \$12,500, and we take \$2,500 in nontaxable expenses. If you figure it out, it comes very close to \$16,500 a year. So we would be paying the servant more than the master. But if that argument holds good, and you adopt the Rees amendment, then you are falling in the position of paying the employee, the servant, more than the master.

In respect to timing, may I say I quoted that from Appendix A of the Hoover Commission Report, the very first one to be filed. I feel that the schedule of bringing this bill out, a bill which will give us the proper type and encourage the proper type of Federal employee to administer the affairs of Government, is in good keeping and in consonance with the best thought and recommendation of the commission for which we appropriated \$2,000,000.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 8, line 19, after the word "Administrator", insert "Director, Federal Bureau of Investigation."

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, the consideration of this bill at this particular time disturbs me somewhat. There is always a time for everything. The Good Book says there is a time to mourn and a time to rejoice. There is a time to laugh and a time to cry. There is a time to do this and a time to do that. But I want to say to the membership of the House I doubt seriously whether in our Nation's financial and economic condition at the present time we ought to increase the expenses of Government. I want

you to consider yourselves as directors of a great corporation. You are directors of a great corporation. You represent the stockholders of this great Government of ours. You have the duty of taking care of the interests of the people and of taking care of the Government. I appeal to your business sense and judgment. If you were called together to a meeting to pass on the policy of a corporation in which you were directly interested and where your money was being expended, and if there was facing you a deficit of \$1,867,000,000, and an indebtedness of \$252,000,000,000, if your corporation faced the possibility of going into the red more than \$5,000,000,000 for the next fiscal year, what would you do? Would you increase the salaries of the employees of that corporation? Would you do it? That is what we are doing. We are here as representatives of the people of the respective States who are stockholders in this great Government of ours. We are here expending their money. We are asking them, in face of the facts which I have related to you, to increase the salaries of the heads and assistant heads of executive departments and independent agencies of this Government. Is it fair to them? Is it right? Do we know where we are going?

When the President sent his letter to the committee on January 6, 1949, the picture was a great deal different than what it is now. It looked like we had to deal with the problem of inflation. But since that time where have we gone? The members of the Council of Economic Advisers do not know where we are going. Mr. Nourse says we are in a state of disinflation. One of the other members says he does not know where we are. But we do know we are in a period of declining prices and business and in a period of increasing unemployment, which you may call recession, disinflation, or deflation.

I appeal to the common sense of your best judgment as to whether or not this is the proper time for us to consider increasing the expenses of Government by increasing the rates of compensation as provided in H. R. 1689. I say to you we should put this off until we find where we are. There is an economic storm brewing. I think it is unsafe for us to go on a spending spree now, not knowing where we are going.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MURRAY of Tennessee. I understood the gentleman to offer an amendment. I understood that your amendment would give the Director of the FBI an increase to \$17,500.

Mr. ROGERS of Florida. Yes.

Mr. MURRAY of Tennessee. Let me ask the gentleman this question. If we agree to amend the bill in accordance with the gentleman's amendment, will he then support the bill?

Mr. ROGERS of Florida. This is the only increase in salary that appeals to me, this increase to J. Edgar Hoover. I do not think we should go overboard and ask this Congress to increase salaries \$1,237,000 at this particular time.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MURRAY of Tennessee. If we agree to your amendment and the amendment is adopted, will the gentleman then support the bill?

Mr. ROGERS of Florida. I say to the gentleman that this is no time for us to launch into the expenditure of money for this program. It is not the time, because we do not know whether we are going into a depression or a recession or what not. Every man included in this bill, when he took his job, knew what he was going to get at the time he took the job. You cannot increase salaries during your term of office. Now, why not let this roll along for the time being, and then later on, in 1950, we will know possibly where we are going. We are floating somewhere. We all talk "economy, economy," but we do not practice it in a single way, in a single piece of legislation that this House has enacted. This legislation should be postponed.

However, should this bill pass, I think it should be amended to increase the compensation of J. Edgar Hoover. I am certain you will concur, if you will refer to page 64 of the report on H. R. 1689 and read the responsibilities of the Director, Federal Bureau of Investigation. We raised the salaries from anywhere from \$5,000 to \$10,000 at one swoop, at one stroke; yet here is a man looking after the national security—he looks after your security—who has been meagerly paid all the time he has been Director of the Bureau of Investigation. The thought struck me as having merit, that his salary should be increased. I therefore prepared an amendment transferring the Director of the Bureau of Investigation from page 10 to page 8, where I place him in a class with the Public Printer. The Public Printer will get \$17,500; the Librarian of Congress will get \$17,500; and I feel sure that the Members of the House believe that J. Edgar Hoover should get \$17,500. Let me say to you that while he is no special friend of mine I do know him and know that he has done a splendid job for the people. If this bill is to be passed I think he should be placed in the class of those receiving \$17,500. The adoption of my amendment would be a vote of confidence in J. Edgar Hoover and the splendid work he is doing for our Nation.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no objection to the amendment offered by the gentleman from Florida; in fact, I think it is praiseworthy. We have no more faithful or more valuable public servant in America today than the present incumbent of the office of Director of the Federal Bureau of Investigation, J. Edgar Hoover.

The reason this office was not included in the original bill was because he was not an appointee of the President. Mr. Hoover is appointed by the Attorney General, not by the President. For that reason that office was not included; the bill, in its original form, did not include any official not appointed by the President.

I am disposed to accept the amendment, and I hope the gentleman from Florida will then vote for the bill.

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I support the amendment of the gentleman from Florida because my examination of the bill and the committee report reveals certain inequalities that are perfectly obvious to everyone. In fact, I have an identical amendment on the Clerk's desk. The Committee on Post Office and Civil Service has made the proposed salary adjustments on the basis of duties and responsibilities, but in my estimation they have missed the boat in evaluating the position of the Director of the Federal Bureau of Investigation.

Let me make a concrete comparison, and I have assembled the necessary data from the committee report on this bill. Mr. Tighe Woods is the Housing Expediter. He has the responsibility of administering the Rent Control Act. J. Edgar Hoover is the Director of the FBI—the organization that so ably protected our domestic security during the last war. Mr. Woods' present salary is \$12,000 per year, while Mr. Hoover's is \$14,000 annually. Under the proposed bill Mr. Woods will receive a salary of \$15,000, an annual increase of \$3,000, while the head of the FBI will receive only a \$1,000 boost, making his salary the same as Mr. Woods'.

According to the committee report Mr. Woods, as Housing Expediter, will supervise 4,836 employees and manage a budget of \$22,972,000 during fiscal year 1949. In contrast, J. Edgar Hoover, as head of the Federal Bureau of Investigation, in the same period supervises 9,664 employees and manages a department budget of \$47,461,800. This comparison, using figures from the committee reports, shows that Mr. Hoover has approximately twice as many employees in his department and handles over twice as much money during a 12-month period, yet the committee recommends the same salary for both department heads. It does not make sense and if the committee has been as illogical in other specific cases I believe the bill should be returned to the committee for further study. In passing, I might add that the duties and responsibilities of Mr. Hoover, leaving aside the number of employees and expenditures, seem to be infinitely more important than those performed by the Housing Expediter.

Let me make another comparison. The Director of the Central Intelligence Agency holds a position in many ways comparable to the head of the Federal Bureau of Investigation. Under the proposed bill the present salary of the Director of the Central Intelligence Agency is \$17,500 annually, an increase of \$3,500 from the present salary. Since Mr. Hoover's work is equally important I firmly believe his salary should be identical. This amendment will accomplish that result.



The question of domestic security is of vital importance. We need the best personnel obtainable to insure the protection of our citizens. Mr. Hoover's record for the past 25 years is unassailable. The monetary reward proposed by my amendment, after long years of faithful and devoted service, is small compensation for his invaluable contribution.

Mr. CORBETT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. CORBETT. Mr. Chairman, I wish to call attention to the Rees substitute amendment. This amendment provides for liberal salary increases; it provides for increasing the salaries of Cabinet members to \$25,000; it provides generous increases for all of the 244 individuals covered by this bill.

Over all, Mr. Chairman, the Rees substitute would provide \$700,000 a year in annual increases. We should therefore divorce from our minds the thought that this is a bill which does not increase salaries, for there are \$700,000 worth of increases in the Rees substitute bill. As was pointed out during general debate, it is always easy to increase salaries; it is almost impossible to decrease them. As the gentleman from Florida, who preceded me, stated, this country is demanding economy from this Congress. In the days just ahead we are going to have an increasing avalanche of mail and public insistence that we cut the cost of Government. But here it is proposed that we grant increases up to 100 percent, according to the original bill. I say now, as I did before, there is no sharp controversy as to whether or not there should be increases but there is controversy as to what is a reasonable increase.

Mr. Chairman, I am going to urge the committee to support the Rees substitute, support it as a generous salary increase for executive officials, support it as a step toward improving the efficiency of the Government. And because the Rees substitute is justified is no reason why you should continue these increases up and up. You can accept the argument that a salary increase is in order but that does not mean that you have to jump some individuals \$10,000 a year.

With the economic condition of the country as it is today, it would be, in my opinion, a very bad thing for us individually to send word out to the country, to the growing ranks of unemployed, that we upped the salaries of Government officials as much as \$10,000 a year.

Mr. Chairman, I hope the Rees amendment will be accepted. In years to come if we find it necessary and desirable we can provide further increases.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the substitute amendment offered by the gentleman from Kansas [Mr. REES], and all amendments thereto, close in 20 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I wonder if the gentleman will not extend that. There are a great

many Members on their feet. The Rees substitute is the most orderly amendment that has been offered.

Mr. MURRAY of Tennessee. This will not close time on amendments to the committee bill itself, just on the substitute.

Mr. CASE of South Dakota. I recognize that is true, but the gentleman from Kansas has worked out an orderly and systematic approach to amending the bill. Mr. Chairman, I object.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the substitute amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am sure that every good American in and out of Congress recognizes and appreciates the great job that J. Edgar Hoover has done in peacetime and in wartime, and every day and many nights. For that reason I certainly feel, as do many Members of this House, and I am sure I bespeak the feelings of the overwhelming majority of the American people, that the salary of J. Edgar Hoover should be commensurate with the great responsibility and the great risk and the wonderful job he has done. I would like to ask the gentleman from Kansas if he will not accept an amendment to his substitute providing that the Chief of the Federal Bureau of Investigation be raised to \$17,500.

Mr. REES. Mr. Chairman, I will say to the gentleman that if he will offer an amendment increasing the salary of the Chief of the Federal Bureau of Investigation to \$17,500, there will be no objection to it. It was not included in this substitute because the original bill provided only \$15,000, and I was trying to keep in line with that bill. So, if the gentleman will offer such an amendment I will accept it, so far as being the author of the substitute is concerned.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent that the amendment which I have just suggested be considered as a part of the Rees substitute and be adopted.

Mr. MURRAY of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURRAY of Tennessee. Mr. Chairman, was not the amendment offered by the gentleman from Florida [Mr. ROGERS], which, in effect, increased the salary of the FBI director to \$17,500 an amendment to the original committee amendment, or was it an amendment to the substitute offered by the gentleman from Kansas?

The CHAIRMAN. The gentleman from Florida offered his amendment as an amendment to the committee amendment.

Mr. MURRAY of Tennessee. And that has been adopted and is a part of the committee amendment?

The CHAIRMAN. The amendment has not been voted upon. No amendment has been voted upon. There is pending

before the committee the committee amendment and a substitute, and the amendment offered by the gentleman from Florida. Does the gentleman from Iowa desire to offer his amendment now?

Mr. JENSEN. I offer this amendment to the Rees substitute to increase the salary of the Chief of the Federal Bureau of Investigation to \$17,500.

The CHAIRMAN. Will the gentleman reduce his amendment to writing and send it to the desk?

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would it be in order to propound a unanimous-consent request that both the committee amendment and the Rees substitute be modified to place the Director of the Federal Bureau of Investigation in the class receiving \$17,500, in accord with both of the amendments that have been proposed?

The CHAIRMAN. The gentleman may submit such a unanimous-consent request, but the Chair would like to suggest that in the opinion of the Chair it would be better parliamentary procedure to submit the amendment in writing.

Mr. CASE of South Dakota. This was simply a unanimous-consent request that both the committee amendment and the Rees substitute be modified to place the Director of the Federal Bureau of Investigation in the \$17,500 category.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. MURRAY of Tennessee. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I rise in support of the Rees substitute amendment.

Mr. Chairman, it has been well said on the floor of this House today that in the Committee on Post Office and Civil Service there is little partisanship, and that is true. That is a good thing.

There is also a spirit of compromise. I feel that this amendment is offered in a spirit of compromise. Some of us are alarmed at the trend toward greater expense at this time in our country's finances. I am one of them. I have grave misgivings as to how this kind of legislation is going to strike many of the people back home who have been waiting impatiently and longingly for some economy.

This amendment offered by the gentleman from Kansas does cut the amount down a little bit. Of course, the total amount is negligible when we are thinking in terms of billions, but we have to make a start somewhere. Personally I would prefer not to see the Under Secretaries or the Assistant Secretaries paid more than the Members of Congress of the United States. However, if this is the best compromise that can be made, and I am sure the distinguished gentleman from Kansas has explored every possibility, I hope the House will vote for this substitute amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I shall vote for the Rees amendment. I think the amendments increasing the Director of the FBI, offered by the gentleman from Florida and the gentleman from Iowa, respectively, are good, but I rise to ask a question of my colleague, the gentleman from California [Mr. MILLER], or of any member of the committee. Rather than have my time run out before the question is answered, I want to say that upon this question I base my reason for offering a motion to recommit, if the committee itself does not offer one. The gentleman who spoke for the committee said this had been carefully considered, and that the gradations between salaries in the bill had been carefully considered. I want to find out, and I think the House is entitled to know, Mr. Chairman, why an Under Secretary of, shall we say, the Department of Commerce, is entitled to more money than the Administrator of the Veterans' Administration, or is entitled to more than the head of the Reconstruction Finance Corporation, which is one of the largest financial institutions in the world; or is entitled to more money than the chairman of the Atomic Energy Commission, who is recognized as holding one of the most difficult, strenuous, and responsible jobs in the Federal Government. What is there about the under secretaryship of the Department of Commerce, or the Department of Agriculture, or the Department of Labor, or any other department, which is worth \$4,000 a year more than the chairmanship of the Reconstruction Finance Corporation?

Since the committee is on record as saying that was carefully considered, I feel we should have the answer. Again I say, Mr. Chairman, this is the reason, if the committee does not offer a motion to recommit, I shall offer a motion to recommit in order to reconcile these salaries.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I desire to speak briefly on the pending measure, H. R. 1689, increasing rates of compensation of the heads and assistant heads of executive departments and independent agencies.

In the committee report it is stated that "failure to take action on this measure on the grounds that the annual appropriation of a little more than a million dollars is too exorbitant will be 'penny-wise and pound-foolish.'" I endorse this statement wholeheartedly.

As a member of the Armed Services Committee, I have had the opportunity to observe the varied activities of the largest component in our Government, which itself is the largest single enterprise in the world, the National Military Establishment. The National Military Establishment is presently the employer of over 2,500,000 military and civilian employees and will have an annual expenditure estimated at \$13,890,000,000 for the current fiscal year. The Navy, by

itself, represents capital investments, expenditures, personnel, plants, and operations almost three times the size of the United States Steel Corp. To run such a huge establishment we now pay 20 top officials a total of \$230,000 a year—an average salary of \$11,500. Compared to salaries paid to officials in even the smaller corporations in private business, this is a ridiculously low average.

If we really want to effect economies in the operation of the Government, it is apparent that one of the best opportunities would be in the Military Establishment. Such economy, however, is not going to come about automatically—it is going to have to be done by hard work on the part of competent people. Until compensation commensurate with responsibilities involved can be offered, it is most difficult to obtain and retain competent officials who can put into effect the sort of constructive recommendations for economy made by the Commission on Organization of the Executive Branch of the Government. If we are going to expect real economies now being discussed incident to the consideration of the measure to amend the National Security Act of 1947, we must provide the Military Establishment the means for doing a top-flight management job.

Due to my familiarity with the Military Establishment, I have emphasized this phase of the problem, but I am sure the same is true in all Government agencies. Again I want to stress that this measure is really an economy measure that should return many, many times its cost in increased efficiency and economy through intelligent, competent management of our complex Government structure.

I support this measure as a means whereby the President will have better opportunities to secure the competent officials required to run the many important functions of our Government.

In these days of cold wars, we are all very much aware of the work being done by the National Military Establishment in supporting the domestic and foreign policies of our Government. The Berlin airlift is probably the best known example of this support.

Let us reflect a moment on the situation with which the President is now faced in securing competent officials to run this establishment—officials who every day must make decisions and take actions that will directly affect the lives of those present and of our children and of our children's children for years and years to come. Officials on whose judgment we must depend to a large extent to keep us out of war by providing the means whereby there can be no doubt in the minds of possible aggressor nations that we have the ability to defend ourselves.

The Secretary of Defense who is the person primarily responsible for all matters relating to the security of this Nation, on whose shoulders falls the tremendous burden of operating the Military Establishment of over 2,500,000 military and civilian employees, whose every action and every decision might well mean the difference between life and death for our sons and grandsons—

yes, and for us, too, since in any future war there will be no lines of battle and the civilian population will be in the battle area, too—for this tremendously important position we pay \$15,000 a year.

The Secretaries of the Army, the Navy, and the Air Force with responsibility for running establishments many times larger than our biggest corporations also receive only \$15,000 a year. The man responsible for managing the financial affairs—involving approximately \$14,000,000,000 for the current year—of the National Military Establishment receives only \$10,000 a year. Other officials with similar responsibilities receive similar small salaries.

I, for one, say that we should pass this measure without hesitation. If the additional expenditure of a little over a million dollars a year will assist in any way in assuring that the best possible men are obtained in these positions of responsibility so fateful for all of us, we would indeed be derelict in our duty if we denied this possibility.

Mr. Chairman, I ask unanimous consent that the balance of my time may be granted to the gentleman from California [Mr. HOLIFIELD].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, about 2 years ago we formed what is known as the Hoover Commission. They appointed a Personnel Policy Committee to consider this question of governmental salaries in the executive branches. Among the people who were on that Personnel Committee were men like Mr. John Stevenson, president of the Penn Mutual Life Insurance Co.; Mr. Lawrence Apley, former vice president of Montgomery Ward; Senator Harry Byrd, of Virginia; Franklin D'Olier, former president of the Prudential Life Insurance Co. of America; Robert Ramspeck, a former Member of Congress, and chairman of the House Committee on Civil Service; A. W. Robertson, chairman of the board of Western Electric Co.; and various other famous men from industry, science, and the professions.

They made a complete tasks report study of the salaries and personnel conditions of the men in key positions in the executive branch. Now, what did they say, among other things, along this line, and it is in support of the committee bill that I am speaking.

They said:

The failure to lift the salary ceiling for top Federal positions has created serious inequities and forced many career officials to leave the service.

They said further:

The gravity of this problem is demonstrated by the fact that an income of \$10,000 is the equivalent of less than \$5,200 in 1939, after allowing for increased income tax. The result has been made repeatedly clear by the stream of resignations from top positions in the past 3 years and by the problem of attracting well-qualified individuals into positions in the top-pay brackets. One study of the earnings increase secured by 170 individuals who left the Government in the



year 1945 revealed the average increase obtained over their Government pay was 92 percent.

President Truman gave special attention to this problem in his address at Princeton in June 1947 when he said, and I quote:

Salary limitations prevent the Government, in many instances, from securing the kind of executives required to maintain its vital activities.

I want to point out that the business of the Government of the United States is the biggest business in the world. We are entitled to have men at the head of these different departments handling over 2,000,000 personnel and millions and millions of dollars who know what it is all about and who are men of caliber to do the job and do it well. No one contends that the Government can pay the same rate as industry pays, but at least we should establish such salaries so that we can retain good men in the jobs. The record shows that they are leaving at the rate of 170 key positions in 1 year.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. RAYBURN. Does it not seem to the gentleman from California, as a legislator, that the orderly way to proceed here is to take up the committee amendment and perfect that committee amendment after voting down the substitute?

Few Members have had an opportunity to examine the substitute. They do not know whether it is fair or not. If we vote down the substitute, then anyone who wishes to offer an amendment to the committee bill may offer it, and we can proceed, as it appears to me, in a much more orderly fashion and do the thing that ought to be done. The President of the United States has never vetoed any increase in salary for Members of Congress, any increase in clerk hire, or anything of the kind. Do you not think we are doing little enough for him when some of us know the distress he is in, trying to keep the good men that he has to carry on this reorganization work in the Government departments? Do you not think we should give him practically what he asks, in order that he can conduct his office in an orderly fashion and do the job that we expect him to do?

Mr. HOLIFIELD. I certainly agree with the honorable Speaker in everything he has had to say. I hope this committee will vote down the Rees amendment and then we can proceed to make such perfections in the committee bill as are necessary.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the frankest statement about this bill that I have heard made today was the statement made by the gentleman from New York [Mr. MULLEN]. The gentleman from New York called attention to the fact that there is a bill pending before this same committee to

give another increase in salary to Members of Congress. Then the gentleman said:

The pending bill is a step in the right direction.

And in that connection said that consideration had been promised for the pay-rise bill for Members of Congress.

My people may be a little different than people in other parts of the country. I do not know. But if there is one theme that is running through the correspondence I am getting today it is that we must stop the spiraling cost of Government. The actual dollars in this bill are not large, but if this bill is to be the forerunner of another salary increase for Members of Congress, then your hands are going to be stayed against voting for other increases here and there all along the line. There is nothing, in my judgment, that would cause greater revulsion against the Congress as an institution today, and against individual Members thereof, than to pass another pay increase for the Members of Congress.

The Rees substitute is an orderly substitute for the pending bill. It recognizes the need for a modern pay schedule in the executive branch and in the independent agencies of the Government, but it does not make the excessive jumps proposed in the committee bill. Most of the \$10,000 people step up to \$12,500. Most of those who receive eleven or twelve thousand step up to fifteen thousand. Those at fifteen or sixteen thousand go up to seventeen thousand five hundred or eighteen thousand. But the Rees substitute does not make the 50-, 60-, and 80-percent increases which characterize the committee's proposals.

The gentleman from Kansas has offered an orderly, systematic substitute, and I hope you will support it.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I have been looking over the figures as quickly as I could with reference to the reduction of certain salaries, as covered by the Rees substitute. If I read the figures correctly, the Under Secretary of the Department of Labor, under the Rees substitute, would receive an increase from \$10,330 to \$17,500. The Under Secretary of the Department of Commerce would receive an increase from \$10,000 to \$17,500, and so on. These are large increases, but not nearly so large as the committee bill provides.

We will set a bad precedent if we pass this increase salary bill. If some increase is necessary it would seem to me that we are making substantial increases if we adopt the Rees amendment. I find that everyone throughout the country is asking the Congress to economize; the Congress is saying they cannot economize, but they are going to try to persuade or insist upon, or compel the President to cut the cost of government; and the President, very justly, comes back and says that that is largely the responsibility of the Congress. This is a small amount to

add to the cost of government, but it sets a precedent that will start leaks in the dike against the pressure for higher salaries all along the line. It would seem to me that we ought to curb it at least to the extent of holding it down to the Rees amendment.

The facts are no increases of salaries should be considered at this time. We cannot reduce the cost of government if we continue to raise salaries. It is unfair to the overburdened taxpayers who will have to pay the bill. The financial condition of the Nation and the general business conditions of the country do not justify these enormous raises in salaries to those in government who already enjoy the highest salaries in government. We should be reducing the cost of government, rather than increasing as this bill will do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Chairman, I listened with much interest to my distinguished Chairman a few minutes ago as he discussed the Rees amendment and compared it with the bill. I know that he did not intend to, but I am afraid he left the impression that the Rees amendment is a salary-cutting amendment. It does not cut the salary of a single one of these executives; it increases substantially the salaries of every one of them.

Let us look at this thing just a minute and see which one provides the reasonable increase in salary. For instance, the Assistant Comptroller General presently drawing \$10,330 a year is given \$18,000 under the Committee bill, an increase of approximately 80 percent. Under the Rees substitute he is given an increase of approximately \$5,000, bringing his salary up to \$15,000, or an increase of approximately 50 percent. Is a 50-percent increase a reasonable increase? In my opinion that is the way to increase salaries, increase them reasonably.

There is one case of a man presently drawing \$9,700 who is increased by the bill to \$15,000; the Rees amendment cuts him back to \$11,000. That gives him a nice increase, from \$9,700 to \$11,000, which would appear to me to be more reasonable than to give him an increase to \$15,000.

Frankly, I do not see anything to the recommendations of the committee, and I so expressed myself in the committee, except to call the bill as presented a bureaucratic joyride at the taxpayers' expense. I hope the Rees amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, the gentleman from Mississippi and the gentleman from Kansas argue that you can help a man drowning some 20 feet offshore more by throwing him a rope 15 feet long rather than by throwing one 10 feet long. I should like to make one or two observations: First of all, that there is no increase proposed in this bill

which is too high; there may be some salaries proposed which are too low, some which should be brought up.

We propose to pay the members of the Cabinet \$25,000 a year. General Motors Corp. in 1946 had 10 vice presidents—one might call it the cabinet of General Motors—and, according to statistics available to the Legislative Reference Service, one vice president, the highest paid, received \$113,775, and the lowest of the 10 vice presidents of General Motors received \$73,100. The "cabinet" of the Montgomery Ward Corp. consisted of nine members. The highest paid received \$101,700 and the lowest about \$35,000 per year. We propose to pay \$25,000 to members of the Cabinet of the United States. The comptroller of the Standard Oil Co. received \$40,000 a year. We propose to pay the Comptroller General of the United States of America \$20,000. The president of the General Motors Acceptance Corp., the credit department of General Motors, received \$71,500 a year. We propose to pay the Chairman of the Reconstruction Finance Corporation \$16,000 a year. Is that too much? The general counsel of General Motors received \$101,000, according to this report. The Attorney General, according to our proposal, would get \$25,000 a year.

I would like to remind some of the men who have spoken here and who are horrified at an increase of \$5,000 to \$10,000 per year in salary that the effect of the income-tax reduction which they voted last year increased many take-home salaries \$40,000 to \$50,000, and more. This was the salary increase engineered by the gentleman from Minnesota, whose memory is perpetuated in his absence by the picture on the wall of this Chamber.

I ask the membership to vote down the Rees amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURRAY of Tennessee. Is the vote on an amendment to the committee amendment? I thought we were considering the substitute and amendments thereto.

The CHAIRMAN. The Chair will state the parliamentary situation. There is pending before the Committee an amendment by the committee. There is pending a substitute offered by the gentleman from Kansas thereto. There is also pending an amendment to the committee amendment offered by the gentleman from Florida.

The parliamentary rules require that amendments to the committee amendment be voted upon first, then amendments to the substitute be voted upon. After both are perfected, then the substitute amendment will be voted upon.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. The parliamentary inquiry is whether or not the amendment of the gentleman from Florida is the one that relates to J. Edgar Hoover?

The CHAIRMAN. The Chair so understands.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the Rogers amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk reread the Rogers amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN.

On page 2, line 5, of the Rees substitute, before the period insert: "and the compensation of the Director of the Federal Bureau of Investigation shall be \$17,500."

On page 3, line 3, strike out "the Director of the Federal Bureau of Investigation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN] to the substitute amendment.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 92, noes 89.

So, the amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES) there were—ayes 86, noes 106.

Mr. REES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REES and Mr. MURRAY of Tennessee.

The Committee again divided; and the tellers reported that there were—ayes 109, noes 152.

So the amendment was rejected.

Mr. HINSHAW. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the committee amendment: On page 10, line 22, after "Naturalization", insert "Administrator of Civil Aeronautics."

Mr. HINSHAW. Mr. Chairman, in searching this bill to find whether or not all of the Presidential appointees were included, I could not find anywhere inclusion of the Administrator of Civil Aeronautics. This officer is an appointee of the President of the United States subject to Senate confirmation and operates a very important agency of the Government now under the direction of the Secretary of Commerce pursuant to a reorganization plan of some years ago, I believe 1940.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MURRAY of Tennessee. The committee has no objection to the

amendment offered by the gentleman from California.

Mr. HINSHAW. Mr. Chairman, I thank the gentleman, and I am glad that he will not oppose the amendment. The Civil Aeronautics Administrator has under his direction more than 17,000 persons and an annual budget of about \$100,000,000. The Administrator is surely entitled to receive a salary of at least \$15,000 per year.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT to the committee amendment: On line 25, page 10, after the words "Commissioner of Customs" insert "Commissioner of Narcotics."

Mr. VAN ZANDT. Mr. Chairman, the Commissioner of Narcotics heads the Bureau of Narcotics of the Treasury Department and is responsible for the administration and enforcement of the Federal narcotic laws. He is also the United States representative, without compensation, to the Commission on Narcotic Drugs of the United Nations and actively participates in the drafting and implementation of the various conventions limiting the international traffic in narcotic drugs to medical and scientific uses.

Under existing law and pursuant to the treaty obligations he closely supervises the importation, exportation, and domestic distribution of narcotic drugs by over 200,000 doctors, pharmacists, manufacturers and wholesale dealers, to the end that these dangerous drugs shall be available only for medical and scientific needs and not for the perpetuation of drug addiction.

The Bureau of Narcotics is recognized as one of the outstanding law enforcement agencies of the Government, as is demonstrated by the fact that while it has in its employ only 2 percent of the Federal law enforcement agents, it is responsible for the conviction and confinement of 9 percent of the present Federal prison population.

The position requires unique qualifications in view of the great measure of responsibility involved in the problems of vigorous enforcement of the narcotic laws and discharge of the international obligations under the several narcotic conventions. The salary of the position should be commensurate with this large responsibility.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. CANFIELD. As a member of the Subcommittee on Appropriations for the Treasury Department and one who has listened to Dr. Anslinger for the last 4 years, I hope the gentleman's amendment is adopted. He is not only one of America's great administrators but one of the finest administrators in the world.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.



Mr. MURRAY of Tennessee. The committee will not oppose the gentleman's amendment. We have no objection to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. GROSS. I am glad the gentleman told us what the salary is. We did not know about the other one when we voted on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was agreed to.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. SCRIVNER and Mr. COOLEY objected.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the committee amendment and all amendments thereto close in 10 minutes.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry. Does that mean all debate on the entire bill?

The CHAIRMAN. The Chair understood the gentleman from Tennessee to move that all debate close in 10 minutes on the committee amendment and all amendments thereto.

Mr. TACKETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TACKETT. How many amendments are there on the Clerk's desk now?

The CHAIRMAN. The Chair is advised there are four amendments on the Clerk's desk.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent to modify my motion to make the debate close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. COOLEY. Mr. Chairman, reserving the right to object, I have an amendment which I desire to offer. Is it in order to offer that amendment at the present time?

The CHAIRMAN. There is pending before the Committee a unanimous-consent request of the gentleman from Tennessee to revise his motion; that all debate on the amendment and all amendments thereto close in 20 minutes. Is there objection?

Mr. COOLEY. Mr. Chairman, I have reserved the right to object to propound a parliamentary inquiry as to whether or not it is in order for me to offer an amendment on page 2 at this time.

The CHAIRMAN. The motion of the gentleman from Tennessee [Mr. MURRAY] must be disposed of first, and then it will be in order for the gentleman from North Carolina to offer his amendment.

Without objection, the request of the gentleman from Tennessee [Mr. MURRAY] to amend his motion will be granted.

There was no objection.

The CHAIRMAN. The question is on the motion offered by the gentleman from Tennessee [Mr. MURRAY] that all debate on the committee amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LECOMPTE. How much time does that allow each one, Mr. Chairman?

The CHAIRMAN. Approximately one and one-third minutes.

Mr. GREEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Chairman, I would like to speak briefly in behalf of the measure, H. R. 1689, which is now before the House for consideration. This measure is intended to raise the compensation of the heads and assistant heads of the executive departments and independent agencies of the Federal Government to levels which, in the opinion of the committee, are in keeping with the duties and responsibilities borne by these officials.

I believe that the House, after considering this measure, will agree that the proposed salary increases are fully justified, in view of the grave responsible duties borne by the executive heads of the departments and agencies involved. In many cases, it will be the first major adjustment of salaries for these key officials since 1925, for, as the committee's report states, there has been no congressional revision of the salaries of most of these executive heads since that time, although recognition has been granted by the Congress to the heads of new major Federal agencies created since World War II.

The most obvious cases are those of the department heads and of the Secretary of Defense. It has been recommended that these key officials be paid at a rate of \$25,000 per annum, and in view of the heavy workload of responsibility devolving upon these men, I feel that the committee's recommendation is fully justified. Many of the Federal departments are equal to or far larger than the largest comparable private business in this country, yet these Cabinet officers, for example, draw far less than the vice president of the smaller private corporations. The Secretary of Defense heads an organization employing a combined civilian and military staff of over 2,500,000. The Postmaster General heads a huge postal communications organization employing over 500,000 people, while the Director of Aeronautical Research of the National Advisory Committee for Aeronautics has a larger and more complex research assignment than his alter ego in any private aircraft firm in the Nation. The departments and agencies which they head often carry on large and complex businesses, employ great numbers of people, and are responsible for the proper annual

expenditure of extremely large sums. It is obvious that such positions should be filled by highly competent men, yet, during the past years, a considerable number of these experienced and competent executives have been forced to leave these key Federal positions because of the inadequate salary paid. These salaries, which were fixed years ago, are unrealistic in terms of the present-day responsibilities of these key executive posts.

I feel that it is absolutely essential to provide incentives, in the form of suitable annual compensation, in order not only to retain in the Federal service its remaining experienced and competent administrators, but also to attract able and well-qualified personnel into the Government to fill these key posts. I believe that a policy of staffing these top positions with able administrators will return the additional cost—estimated at approximately \$1,500,000 per annum—to the Nation many times over each year through greater efficiency and improved operation of the Federal agencies affected. Without competent persons in these key posts, we can expect only mediocre performance by the departments and agencies so staffed.

The committee's recommendations on this measure are based not only on the principles of good management and efficient administration, but also on the fact that the responsibilities of the occupants of these posts have increased greatly in recent years and have placed a very heavy burden on such officials. We had a recent and tragic illustration of the pressures and strains to which key officials can be subjected in the performance of their duties.

It is my belief that only the ablest and most competent personnel should be asked to carry on, as heads and assistant heads of executive departments and agencies, the administration of the affairs of our country. I feel that you will agree with me that an adequate salary will provide one of the incentives which will attract such competent officials into the Federal service and that it is our responsibility to see that this is done.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 11, line 2 of the Committee amendment after the words "Farmers' Home Administration" insert the following: "Manager of the Federal Crop Insurance Corporation."

The CHAIRMAN. The gentleman from North Carolina is recognized in support of his amendment.

Mr. COOLEY. Mr. Chairman, I hope the committee will accept this amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER to the committee amendment: On page 11, line 18, strike out all of section 6.

Mr. SCRIVNER. Mr. Chairman, I hope the committee concurs in this amendment to strike out section 6. It does not add any particular person to the pay roll, but it may save many dollars.

This section gives arbitrary power to the President to increase the salary of the chairman or head of a board or commission to \$18,000 per annum if he has important duties or responsibilities not imposed upon the other members of the board. There is not a word concerning this section in the committee hearings, nor is it discussed anywhere in the report. You are going to wake up some morning shortly after this bill is passed and find unknown numbers of these people increased to \$18,000 a year. Look at this chart. It shows that there are 1,819 boards, bureaus, and agencies running this Government. Each has a chairman, but all may not be affected by this section.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I have only a minute and a half, but I yield to the chairman, of course.

Mr. MURRAY of Tennessee. The language states, "Not more than \$18,000."

Mr. SCRIVNER. Yes.

Mr. MURRAY of Tennessee. And it is also required that such chairmen be given additional important duties.

Mr. SCRIVNER. The gentleman knows these boards and commissions. Every one of them are going to give the chairman a little important work to do whatever "important work" may be; the gentleman knows, furthermore, that immediately that individual will be entitled to have his pay upped to \$18,000 a year.

The gentleman may say that this is not a pay increase. Maybe it is not in the opinion of the members of the committee, but to the taxpayers who will have to pay the bill it is a pay increase and you cannot get away from it. If the folks at home were here they would not vote for this bill. As their representative I will not support it. All it will do is freeze the present jobholders tighter in their chairs.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. SCRIVNER) there were—ayes 93, noes 116.

Mr. SCRIVNER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SCRIVNER and Mr. MURRAY of Tennessee.

The Committee again divided; and the tellers reported there were—ayes 95, noes 115.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT:

Page 11, line 17, strike out the period, substitute a semicolon, and insert the following language: "and effective with the commencement of the Eighty-second session of Congress the compensation of Senators, Representatives in Congress, Delegates from the Territories, and the Resident Commissioner from Puerto Rico shall be at the rate of \$20,000 per annum each."

Strike out section 8 and insert the following:

"Sec. 8. Except as otherwise provided herein this act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the amendment is not germane in that this is a bill to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies. This amendment relates to the legislative branch of the Government and consequently is not germane to a bill applying to executive departments and independent agencies.

Mr. MONRONEY. Mr. Chairman, I make the further point of order that this is a bill reported by the Committee on Post Office and Civil Service which does not have jurisdiction over the salaries of Members of Congress.

The CHAIRMAN. Does the gentleman from Arkansas desire to be heard on the point of order?

Mr. TACKETT. Yes, Mr. Chairman. I seek to amend section 5 (c) which reads as follows:

The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

My amendment is germane to the very subject matter that I seek to amend. The legislative branch of Government is covered by this very bill, and I seek to amend that portion pertaining to the legislative branch of our Government. The Architect of the Capitol is also covered by this bill.

The CHAIRMAN. The Chair is ready to rule. This bill seeks to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies. Under the Constitution there are three distinct branches of government. The legislative branch cannot be classed as either an executive department or an independent agency. Therefore, the Chair sustains the point of order made by the gentleman from South Dakota.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 8, line 13, strike out "\$17,500" and insert "\$15,000"; and on page 11, line 17, strike out "\$12,000" and insert "\$10,000".

Mr. MURRAY of Tennessee. Mr. Chairman, I have no objection to the amendments. I think they are all right. The committee accepts them.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. HORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HORAN: On page 13, line 3, strike out all of section 8 and insert a new section as follows:

"Sec. 8. This act shall take effect July 1, 1950."

Mr. HORAN. Mr. Chairman, I think we have had a sample this afternoon of how the floodgates can be opened. We are setting a pattern that is going to be difficult for the responsible Representatives of the people of this Nation of ours to control. My amendment simply puts off until the beginning of the next fiscal year the date of enactment of what you are working on this afternoon. I think the people of America are looking for some results from the Hoover Commission's report, but this bill you are working on today will put fire into the bureaucracy here and make it very, very difficult to reduce the cost of Government at a time when we are not on very safe ground.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appeal to the Members to stand by the committee and let this act take effect on the first day of the first pay period which begins after the date of enactment of this act. The amendment offered by the gentleman from Washington would defer the time of taking effect of this bill for a year, until July 1, 1950. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. HORAN].

The question was taken; and on a division (demanded by Mr. HORAN) there were—ayes 94, noes 141.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, there are provisions in this bill which doubtless seem to every person here to be unjustified or inequitable. Certainly there are a good many that are not in accord with the way I would rate the relative importance of various positions. However, we cannot dispute that present salary rates are obsolete, and have been so for a long time. It seems to me the passage of this bill by the House even with its admitted inequities and defects and sending it to the other body where adjustments can be made should produce benefits to our governmental service that will far outweigh its relatively small cost.

Therefore, I intend to support the bill.

Take as an example, the Department of State, to illustrate the urgent necessity for revision of these salaries. Since World War II, the United States has assumed the leading role among the nations of the world. Other nations look to us for leadership in practically every field of endeavor. Notwithstanding this fact, however, our Secretary of State today receives the same salary as he did



23 years ago. Correspondingly, his principal assistants, namely, the Under Secretary and Assistant Secretaries, are still receiving salaries very little above what they received then. They are subject to the Civil Service Classification Act and, hence, are restricted to salary ranges applicable to the Government as a whole. In many instances, this brings about situations where salaries of Assistant Secretaries are no higher than those of their subordinates.

The fact that the present salary rates of top officials are obsolete is especially emphasized by the fact that legislation enacted in recent years creating newly established Government organizations provides higher salaries for the heads of those agencies than are received by the old departments and agencies. For example, both the Administrator and Deputy Administrator of the Economic Cooperation Administration are paid more than the Secretary of State. Ten individuals in the National Military Establishment, each of whom is doing important work, are authorized to receive a salary equivalent to that of the Secretary of National Defense and substantially more than the Administrator of Veterans' Affairs. The salary scale for the Federal Government is completely disproportionate to the salaries paid by a number of State and municipal governments. In the State of New York, for example, the attorney general and State auditor receive \$20,000 annually. Similarly, in the field of municipal government the mayors of 12 cities of over 500,000 population receive between \$10,000 and \$25,000, annually, with a median salary of \$18,000. In New York City alone eight city officials, including the mayor, receive \$20,000 or more annually in salary. Six city managers of cities between 250,000 and 500,000 population receive salaries averaging \$19,000.

One constantly hears the criticism, and too often it is justified, that many Government officials are second-rate men, or even worse. That really is an argument for the bill, not against it. How many first-rate men can we expect to get unless we pay them something more adequate than the levels of 10 to 25 years ago?

The additional cost of this legislation, if enacted, would be only \$1,237,173 annually. I do not know where else in our expenditures so little, relatively, can be expected to bring as much to our Government in value received.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LeCOMPTE].

Mr. LeCOMPTE. Mr. Chairman, about a year ago the Congress increased the salaries of all Government employees in the lower brackets by \$330 per year, about a dollar a day. Today, in this bill, it is proposed to increase the salaries of the folks in the higher brackets of from 25 percent to 100 percent. I feel very deeply that high salaries is not the thing that attracts able men to public service. The opportunity to serve one's country and serve the people well is the thing that makes public service attractive to able men and women. I believe sincerely that the passage of this bill is going to let us

in for a great deal of pressure to increase the salaries of all other employees of the Federal Government, and perhaps rightly so. We are not going to find the country very happy over this salary increase for the top-bracket folks at a time when the income of the average taxpayer is shrinking and receipts of the Government declining each day.

As to the suggestion for an increase in salaries of Congressmen and Senators, I am unalterably opposed to this suggested amendment, as I was when the reorganization bill—Public Law 601, Seventy-ninth Congress—was adopted, although there are many good provisions in this law. We were unable to obtain a yeas-and-nays vote, but the RECORD shows that I stood up and was recognized by the Speaker and asked for the yeas and nays.

The bill we have today starts at the wrong place. It raises the higher salaries and in the end will cost the taxpayers a vast sum of money every year. I oppose the measure.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Ohio: On page 10, line 1, after the word "Commission", strike out "members of the Board of Commissioners of the District of Columbia."

Mr. HAYS of Ohio. Mr. Chairman, this amendment is almost self-explanatory. It simply leaves the salaries of the members of the Board of Commissioners of the District of Columbia where they are today, at \$10,000.

I would like to read you a few of the salaries of members of councils or commissions of various cities, most of them larger than Washington:

Detroit, \$5,000.  
Philadelphia, \$7,500.  
Cleveland, \$4,000.  
Pittsburgh, \$8,000.  
Cincinnati, \$5,000.

Mr. Chairman, much has been made of the fact that most of the people coming under this bill have to maintain two homes and have to come from somewhere else to live in Washington. The members of the Board of Commissioners are residents of Washington. They do not run for office, and are appointed for a 4-year term. I submit to you in view of the salaries paid in other large cities, that \$10,000 is ample for Washington.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HAYS].

The question was taken; and on a division (demanded by Mr. MURRAY of Tennessee) there were—ayes 132, noes 48.

So the amendment was agreed to.

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania [Mr. WALTER] rise?

Mr. WALTER. Mr. Chairman, I ask unanimous consent to amend line 14, on page 11, referring to the amendment that was just adopted, by striking out \$15,000 and inserting \$10,000, and to vacate the proceedings by which that amendment was adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, when the gentleman from Pennsylvania referred to the amendment adopted just a moment ago, was he referring to the amendment which struck out the members of the Board of the District of Columbia or the prior amendment offered by the gentleman from Pennsylvania?

Mr. WALTER. The line was not correctly stated in the amendment which I offered.

Mr. CASE of South Dakota. In other words, the gentleman is leaving the item for the legislative counsel as it appears in the bill and making the change in the Assistant Director for the Administrative Office of the United States Courts?

Mr. WALTER. The gentleman is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I take this time to express what I think must be felt by a great many Members with respect to this bill. It looks like the bill will be passed. The reason we are doing what we are doing is because we want to keep or get the best public officials to deal with the problems of depression or prosperity, and peace or war. I hope we will cease to see so many of the items in the newspapers which we have been seeing, that a particular public servant feels he must resign in order to rehabilitate his personal fortune, or that another feels he cannot accept a Government position offered because he cannot afford it financially. I hope the President will feel free to call, if necessary, the best men for these jobs, and that no American, in view of the great issues our Nation faces domestically and in the world, and under the new pay scale, will feel that he has a right to reject any such public job for which he is fitted when it is offered to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, in a few weeks we are going to be called upon to answer to our constituents as to what we have done about economy. After you have voted for this bill, by which you are raising the salary of the Assistant Federal Security Administrator from \$10,000 to \$17,500, you will have to explain what you have done about economy. He is the man who is trying to inflict socialized medicine upon this country. He has written a book about it. He is doing all he can to foist socialized medicine upon the American people. By raising his salary you are not only condoning his activities, you are endorsing them. If you favor that kind of economy, go back and explain it to your people. I certainly cannot.

You are shedding crocodile tears for these fifteen- and twenty-thousand-dollar-a-year men and at the same time doing nothing for the worker, who is presently covered by a minimum-wage bill which provides for only 40 cents an hour. Do you think \$16 a week is enough for a workingman? Do not you think it is high time some consideration be given to the man at the bottom of the economic scale? My minimum-wage bill will tie the pay of the worker to the cost-of-living index, so that he will have a constant steady income of the same value, in spite of depressions or inflations.

Until something is done for the man at the bottom of the heap, I cannot conscientiously vote for the man at the top. I oppose this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, at the proper time I shall offer a motion to recommit this bill to the Committee on Post Office and Civil Service. It contains the amendment that I offered earlier in the day and includes amendments that have been approved by this committee. It will also strike out the provision in the bill that authorizes the President at his own desire to raise the salaries of certain individuals up to \$18,000.

I make this explanation so that when the time comes I will not have to take extra time to explain it any further. I still think the salaries in this bill are inequitable and are too high.

In line with what the distinguished gentleman from Texas [Mr. LUCAS] just said, I believe you are going to find it a little difficult to explain to the people back home if you permit the approval of the bill reported by the committee.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman and Members of the Committee of the Whole House on the State of the Union, you will know that my record to date during my short tenure as a Member of this House has been very conservative—in fact, the more liberal Members would consider my record as that of a reactionary; and I will admit that I have been and shall continue to be very conservative where in the principles of democracy are involved.

I came here with the intention of representing the masses and not to speak as a "pollyparrot" of any power contrary to what I honestly believe to be the wishes of those who have entrusted me with the duties and responsibilities of this office.

Speaking in rather general terms concerning the economy of this democracy, I have felt that the founding fathers formulated our system of democracy upon the theory that supply and demand, with free enterprise, individual initiative, and open competition being afforded within the ranks of capital, business, labor, and all the other Government and individual essentials would govern our economy.

Even though the aforementioned theory exemplifies a pure democratic economy, trial and experience found us facing an unbalanced economy with most of the wealth of this country drifting into the hands of a few. Antitrust and anti-monopoly laws, along with other business restrictions, were enacted to assure competition, aid supply and demand to produce a more equitable return upon investments, and to assure a more equal distribution of this country's wealth.

Likewise, it has been necessary to impose and maintain restrictions upon labor for the purpose of affording a balanced relationship between the employer and the employee, and in order to stabilize individual initiative, free enterprise, and open competition within the ranks of labor so as to afford supply and demand an opportunity to regulate the over-all economy.

If democracy is to prevail, I firmly believe that free competition must remain intact and allowed to operate with capital and the investor who supply the commodity as well as with the employee who performs the labor, with the assistance of capital, to bring the commodity and investment into existence. Supply and demand, with individual initiative, free enterprise, and open competition being afforded, should therefore regulate our economy wherein capitalistic trusts are suppressed, and labor controlled to the extent of allowing fair relations to exist between the affected parties. Then, we must allow for necessary restrictions that will tend to bring about a wider distribution of the country's wealth.

Only restrictions for the purpose of producing a balanced economy are necessary, and we can well see that to curtail the efforts of business and individuals with restrictions and controls that remove the individual incentive to progress will eventually lead to the regimentation of our people to such an extent that we will no longer have any reason to advance our persons or businesses. Sooner or later unless Government control is brought to a minimum, every business will be told by the Government how to operate, what prices to charge for commodities, and the manner in which the business shall be conducted. The fees of professional men and women, the specialists, and the laborers, will, under such circumstances, be eventually set by the Government, and the ability of an individual to perform services will be of little consequence. I have felt that to vote for restrictions and controls unnecessary to the balancing of our economy is no less than to vote a socialistic ticket that tends to remove the fundamental prerequisites of a democracy. I have in the past and I shall continue to oppose legislation wherein the Government is allowed to compete with private enterprise, except in cases where private enterprise cannot or has not performed the requirements.

My maiden speech on the floor of this House a few days after I took my oath of office was in favor of the reorganization and coordination of the existing Federal agencies and departments, at a saving to the taxpayers rather than to

bring into existence new agencies and expand those now in existence. It is difficult to understand how we shall ever expect to become solvent if we are to continue the practice of employing an average of 271 new people every day the sun rises, and if we are to continue establishing new agencies and expanding those in existence every time the Congress meets. I feel that every department and agency should have ample personnel to administer the affairs involved as per the demands of the people, minus Federal administration of affairs that should be administered by the States. I have followed the economy move in this Congress, believing that this Government could be operated with the same full force and effect on behalf of the people with much less money; but, gentlemen, we all know that it is false economy to pay a person less for their services than that to which they are entitled. One never gets any more than what he pays for.

It is generally believed by the public that the public officials actually receive more money for their services than is authorized by law. It would be difficult to convince any reasonable person that a Member of the President's Cabinet actually received in the past only \$15,000 per year. No man or woman can imagine a Member of this Congress surviving the expenditures imposed upon him or her with the salary authorized by law; and it cannot be done if the respective Member actually renders the service to which his constituents are entitled. A \$20,000 salary to a Member of Congress would amount to no more than seven or eight thousand dollars to a Member in his home community. Actually he could stay at home on \$5,000 as easily as serving in Congress for \$20,000.

Every Member of Congress is required to have two homes—one in Washington and one within his district. His home expenses are practically as high while he is in Washington as while he is at home. It is necessary to expend more money in the performance of his duties than he is paid by the Government.

Unless a Member of Congress has an outside income from a business, profession, or some other source, he cannot properly serve his people with the salary now authorized by law, unless he comes here a rich man.

Why, gentlemen, a Member is required to run for office every 2 years, and the general public well knows that it is necessary to expend in each election at least the amount of his first year's salary. A poor man cannot even venture to run for such public office without the financial assistance of his close friends and those expecting favors. I cannot imagine that the membership of this Congress is to be made up of the rich in this great democracy of competition, which can well lead to a capitalistic government detrimental to the middle and lower classes of our country. For the membership of Congress to receive an adequate salary will be most beneficial to the poor and middle classes of this United States of America.

Seniority plays a big role in the operation of Congress. In fact, a freshman



Member such as myself has little to do with the legislative machinery and actually participates only to the extent of a single vote. Other than a rich Member of Congress must look to the future general welfare of his family and cannot afford to sacrifice the required years in Congress upon the salary now being paid to gain a position with enough seniority to be as helpful to his people as he would like.

The Hoover Commission has foreseen the need for adequate salaries to public officials as a guard against the destruction of democracy, as a guard against a capitalistic form of government, and as an assurance of honest administration on behalf of all the people.

The CHAIRMAN. The gentleman from California [Mr. MILLER] is recognized.

Mr. MILLER of California. Mr. Chairman, I wish to read into the RECORD an excerpt from a statement made by Mr. Beardsley Ruml in support of the principles of this bill:

If we are to have efficiency in public expenditure, two measures are obviously necessary. First, the President must have an increased scope of authority in the organization and reorganization of the agencies in the executive branch of the Government. And second, a higher level of compensation, as has been recommended, should be established for top Government officials in order to hold in the Federal service and to attract to the Federal service the talent that is necessary for efficient managerial operation of the essential services of the executive branch of the Federal Government.

I wish also to read into the RECORD the following telegram in support of the bill from Eric Johnston, president of the Motion Picture Association of America, Inc.:

WASHINGTON, D. C., February 8, 1949.  
Hon. GEORGE P. MILLER,  
House Committee on  
Post Office and Civil Service,  
House of Representatives:

As a businessman I am happy to endorse House bill 1689 authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC JOHNSTON,  
President, Motion Picture  
Association of America, Inc.

In conclusion I wish to leave with you the thought that when such men as Beardsley Ruml and Eric Johnston support legislation of this kind they do not do so lightly.

This bill has merit and is the first step in reestablishing in the Government service the balance between the several levels of activity so essential to good management and high efficiency.

The CHAIRMAN. The time of the gentleman from California has expired; all time has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent for the consideration of a clarifying amendment and permission to make a very brief statement explaining the reason for it.

The gentleman from Florida introduced an amendment changing the sal-

ary of the Director of the Federal Bureau of Investigation from \$15,000 to \$17,500. The item appears again at page 10, line 19, "Director, Federal Bureau of Investigation." I would like to strike that out since the salary of the Director of the Federal Bureau of Investigation has already been increased to \$17,500 by the adoption of the amendment of the gentleman from Florida [Mr. ROGERS].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: Page 10, line 19, strike out "Director, Federal Bureau of Investigation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, pursuant to House Resolution 274, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. REES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REES. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REES moves to recommit the bill to the Committee on Post Office and Civil Service with instructions to report it back forthwith with the following amendment: Strike out all after the enacting clause and insert the following:

"That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each Under Secretary of an executive department, the Assistant to the

Attorney General, the Solicitor General of the United States, the Director of the Federal Bureau of Investigation, Director of Central Intelligence, and the First Assistant Postmaster General shall be \$17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$16,000 per annum, three at rates not exceeding \$15,000 per annum, and seven at rates not exceeding \$12,000 per annum."

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Administrator of General Services, the Assistant Director of the Bureau of the Budget, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Administrator of Civil Aeronautics, Manager of the Federal Crop Insurance Corporation, the Commissioner of Narcotics, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be \$15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communication Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue;

Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of \$10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$12,500 a year."

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of \$11,000 a year.'

"(d) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

"Sec. 5. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. REES. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. REES. Mr. Speaker, I ask for a division on the motion to recommit.

The House divided; and there were—ayes 71, noes 165.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill just passed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### FEDERAL PAY STRUCTURE—RELIC OF THE PAST

Mr. HAYS of Arkansas. Mr. Speaker, in the past quarter century, the map of the world has been redrawn. World War II has been fought and won. Atomic energy has been released. The United Nations Organization has come into being. The hope of the world for peace and prosperity has become centered in

the Government and the people of the United States of America. This kind of responsibility in the modern age in which we live calls for the most capable men our Nation can produce. And how shall we go about getting men of that caliber? By offering them salaries on a pay scale established by Congress as far back as 28 years ago? This is what we actually offer to men expected to be leaders not only in the United States but the world.

Members of the Cabinet, for example, received \$15,000 per annum in 1925. They are paid precisely the same today. The Director of the Bureau of the Budget receives \$10,000 today. That is the identical salary that was fixed for the position June 10, 1921—and which recently caused a Director of the Budget, with long and valuable experience, to resign in the interests of his family.

Nothing in the Federal Government is quite so out-dated as the pay scales of many of its top officials.

Because Government salaries for top executives are completely out of balance with industrial scales, Government agencies are constantly losing valuable personnel. Moreover, it is extremely difficult to find competent replacements for these positions.

It is difficult to understand why a man who is worth \$50,000 to private industry is considered to be worth only \$10,000 or \$15,000 to the great institution that is the Government of the United States. Industries with far fewer assets than some Government corporations—industries whose functions for national health, peace, and prosperity hardly merit mention in the same breath as these Government corporations—nevertheless, pay their officials holding comparable positions anywhere from half again to 10 times as much as Government is authorized to offer.

Industry, wisely and rightly, has adjusted salaries to meet changing conditions, increasing responsibilities, or the rising cost of living. Such procedure makes for efficiency. It holds experienced personnel.

Government pay policy in the upper brackets has been precisely the opposite. In many agencies, the top official now receives the same salary as the next three or four officials under him. In some cases, the top man actually receives a few hundred dollars less than his principal assistant. It would be almost miraculous if this situation did not undermine efficiency, break down confidence, and cause a much more than normal turn-over of top personnel.

This is a most serious problem. The men who execute the policies of our Government bear the weightiest responsibility of any citizens of the United States. Upon their competent execution of their duties depends not only the efficiency of Government, but possibly even the peace and prosperity of the world. We dare not be satisfied with anything less than top-flight personnel.

The enactment of this bill might not bring to Government the best personnel in the land, but it would surely remove one of the principal reasons why service in the Government has become less attractive.

There is no dearth of patriotic citizens in the United States. But can we blame a citizen who does not feel called upon to sacrifice permanently the interests of his family upon the altar of a Government job? Can we blame a worker for throwing in the sponge when he sees his associates and sometimes his assistants accepting better-paying jobs in private business?

Can we blame even the long-time career man when he takes a second look around—because he sees every now and then some faithful, patriotic servant of the people cracking up under the fearful strain that these postwar days put upon all conscientious Government officials?

We must have competent people in Government. To get them we must endeavor to make our salary structure fit the needs of the times. True, Government cannot expect to match the pay scales of industry. But this is not necessary. All that most Government officials ask is a salary which will place them in the same position relative to their assistants and relative to the cost of living that they occupied in the days before the war.

The executive pay bill would assure them of that kind of position. It would restore confidence in the fairness of Government to its own servants. It offers the type of recognition that will bring forth the best in Government efficiency.

Mr. KARST. Mr. Speaker, supposedly, we are considering a bill to increase the salaries of certain key executives and administrators of Federal departments and agencies. In reality we are debating the question, How great a financial sacrifice can we ask from men of top-flight ability because they are Government servants?

This bill does not pretend to pay salaries that match or even approach the rewards that private concerns offer men with similar talents and carrying equal responsibilities. Judged by any such standard it is common knowledge that Government salaries are pitifully inadequate.

It is common knowledge that all too often years of training and experience in Government serve only as a proving ground for well-paid jobs in private industry. And this trend is increasing at the very time when Government has need of every top-flight person it can muster.

Look at the duties and responsibilities these Government officials must meet. In terms of money spent, in terms of national policy and national welfare, their task is staggering. How much can we ask them to sacrifice in the public service? At best we can only limit the financial loss they inevitably take.

But there is a much more serious aspect to this problem than next year's budget or the pay of certain Government officials. It concerns the longer future and the type of executive and administrators who will be available for Government service in the years ahead. We are not legislating solely or primarily for the next fiscal year.



We must consider how Government service will look to the really able members of the rising generation. We can invite them to consider such a career or we can cold-shoulder them with salary scales that are pitifully inadequate. If we make the sacrifice look too great, we will lose most of the really able people that we want and need in Government. We will lose them because they will not even consider a career in Government, much less point toward it. Moreover, we will have great difficulty in recruiting mature, able men from private life.

Who will pay for that loss of talent, vision, and ability? Your constituents and mine—if we have the good fortune to remain in Congress. All of us will foot the bill if we so underpay our Government officials that we screen out the very ones who could serve us most efficiently and economically.

Mr. BRYSON. Mr. Speaker, it is to be regretted that we are considering H. R. 1689 at this time.

Since many of our people are insisting upon the adoption of considerable portions of the Hoover Commission report, surely it is untimely to add to Government expenditures rather than to reduce them.

Assuming that there are inequities in the pay of heads of Government departments and agencies, we cannot afford to increase salaries and wages of said Government officials in the face of a known growing deficit.

The latest report reaching Congress reveals the fact that we are operating now with a deficit of some \$2,000,000,000. It appears that this deficit will increase. With this acknowledged fact before us, we must reduce Government expenditures, raise taxes, or operate with a deficit. We cannot in justice to the taxpayer increase taxes with incomes on the decline. We should not operate with a deficit. The logical thing to do is to reduce Government cost.

One hears little talk of economy in Congress. We have grown too accustomed to increasing expenditures. The clamor of the taxpayers for relief is seldom heard, if ever.

It is a great honor to serve our Government in any capacity. Most everyone in public office must of necessity serve at a financial sacrifice. One capable of successfully filling a public office could easily earn more money in private industry. The real compensation accruing to a public official is intangible. The satisfaction of knowing that one has had the privilege of serving his country is, and should be, adequate pay.

In my judgment, unless there is a change in the attitude of those now in charge of our Government toward public expenditures, the people will ultimately rebel against extravagance.

On a recent trip to my district I was greatly impressed by the attitude of everyone toward economy.

Let us send this measure back to committee for additional study with the hope that by the time it comes up for further consideration our domestic affairs will have been improved.

When the idea of increasing salaries, such as is provided for in this measure, was first presented to the Congress some

6 months ago, the financial horizon was much brighter than now. Let us hope that in the not distant future our economic affairs will improve.

This is no time to add additional and unnecessary burdens to our already overburdened taxpayers.

I regret to find myself in disagreement with those who are sponsoring this legislation, but have no hesitancy in voting against its passage.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) entitled "An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes."

#### EXTENSION OF REMARKS

Mr. TACKETT asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include extraneous matter.

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an article appearing in the CIO News.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New Jersey Record.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a speech.

#### SPECIAL ORDER GRANTED

Mr. PHILLIPS of California asked and was given permission to address the House for 40 minutes on Friday, July 22, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### SIGNING OF ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

- S. 113. An act for the relief of Helen Louise Oles;
- S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;
- S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles, a minor;
- S. 623. An act for the relief of George Krinopolis;
- S. 980. An act for the relief of Toshie Okutomi;
- S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;
- S. 1167. An act for the relief of the estate of Marion Miller;
- S. 1168. An act to amend section 2680 of title 28, United States Code;
- S. 1296. An act for the relief of Murphy and Wischmeyer;
- S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and
- S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

#### BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

- H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;
- H. R. 52. An act for the relief of Nevada County, Calif.;
- H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;
- H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;
- H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteen Foxworth;
- H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.;
- H. R. 1009. An act for the relief of the Central Bank, a California corporation as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;
- H. R. 1042. An act for the relief of Hoy C. Wong;
- H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;
- H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;
- H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;
- H. R. 1297. An act for the relief of Alvin G. Patton;
- H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 2349. An act for the relief of Col. Włodzimierz Onaciewicz;

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund;

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov;

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim 5 $\frac{1}{10}$  acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown;

H. R. 4807. An act for the relief of Robert A. Atlas; and

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

#### ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House, under its previous order, adjourned until Monday, July 11, 1949, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

744. A letter from the Secretary of Defense transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946"; to the Committee on Armed Services.

745. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "To amend the District of Columbia Teachers' Salary Act of 1947"; to the Committee on the District of Columbia.

746. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "To increase the number of examiners in chief in the Patent Office, and for other purposes"; to the Committee on the Judiciary.

747. A letter from the Postmaster General, transmitting a report of claims paid by the Post Office Department under the provisions of the Federal Tort Claims Act during the fiscal year 1948-49; to the Committee on the Judiciary.

748. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees"; to the Committee on Post Office and Civil Service.

749. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 3071. A bill to authorize the Secretary of the Army to purchase certain property in Morgan County; with an amendment (Rept. No. 1000). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 3197. A bill relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.; with an amendment (Rept. No. 1001). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2392. A bill to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes; with an amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high intensity lighting on CAA designated instrument landing runways; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Florida: Committee on Interstate and Foreign Commerce. S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of \$2,000; without amendment (Rept. No. 1005). Referred to the Committee of the Whole House on the State of the Union.

Mr. SULLIVAN: Committee on Interstate and Foreign Commerce. S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; without amendment (Rept. No. 1006). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 5356. A bill to provide for

the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass., with an amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5549. A bill relating to the exemption from payment of income tax of certain compensation payable to Federal employees stationed in the Territories and possessions of the United States; to the Committee on Ways and Means.

By Mr. COLMER:

H. R. 5550. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", as amended, to permit the sale of war housing to State and local housing agencies; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 5551. A bill to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes; to the Committee on Education and Labor.

By Mr. LANE:

H. R. 5552. A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees; to the Committee on Post Office and Civil Service.

By Mr. LODGE:

H. R. 5553. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SADOWSKI:

H. R. 5554. A bill to require the United States Civil Service Commission to establish a regional office for the State of Michigan at Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. WOOD:

H. R. 5555. A bill to repeal the act of March 31, 1949, suspending certain import taxes on copper; to the Committee on Ways and Means.

By Mr. MORRIS:

H. R. 5556. A bill to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.; to the Committee on Public Lands.

By Mr. GATHINGS:

H. R. 5557. A bill to provide for coordination of arrangements for the employment of agricultural workers admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages and for other purposes; to the Committee on Agriculture.

By Mr. HOFFMAN of Michigan:

H. R. 5558. A bill declaring a portion of the Paw Paw River, in the city of Benton Harbor, in the city of St. Joseph and Benton Township, county of Berrien, State of Michigan, to be nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 5559. A bill to amend the Federal Trade Commission Act with respect to the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS:

H. R. 5560. A bill to terminate the war-tax rates on certain miscellaneous excise taxes,



and for other purposes; to the Committee on Ways and Means.

By Mr. CROSSER:

H. R. 5561. A bill to create an independent Air Safety Board; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIES of New York:

H. R. 5562. A bill to amend the Agricultural Act of 1948 and the Agricultural Adjustment Act of 1938, as amended, to provide price support for Angora-rabbit wool; to the Committee on Agriculture.

By Mr. PRICE:

H. R. 5563. A bill to amend Public Law 49, Seventy-seventh Congress, for the purpose of preventing loss of life, impairment of health, and endangerment to the safety of coal mine employees; to the Committee on Education and Labor.

By Mr. CELLER:

H. J. Res. 295. Joint resolution to erect a memorial to the memory of Mohandas K. Gandhi; to the Committee on House Administration.

By Mr. LODGE:

H. Con. Res. 101. Concurrent resolution relating to refund of premiums on national service life insurance policies; to the Committee on Veterans' Affairs.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California memorializing the President and Congress of the United States relative to the construction of navigable channels on the Sacramento and Feather Rivers; to the Committee on Public Works.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 5564. A bill for the relief of Wilcox Electric Co., Inc.; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5565. A bill for the relief of the estate of Eustadio D. Papavasiliopulo; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5566. A bill for the relief of Dr. Agostino DeLisi; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1268. By Mr. McCULLOCH: Petition of Mrs. Ethel Webb, and 26 others, urging enactment of legislation prohibiting the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1269. By Mr. CANFIELD: Resolution of Amalgamated Local 300, Engineers and Sanitary Employees Association, UAW-CIO, urging governmental action to stop the current economic recession; to the Committee on Banking and Currency.

1270. By Mr. RICH: Petition of Rural Letter Carriers of Potter-McKean Counties, Pa., in opposition to H. R. 4772, providing a 40-hour week for rural carriers; to the Committee on Post Office and Civil Service.

1271. By Mr. MACK of Washington: Petition of Seattle Chapter, Associated General Contractors of America, regarding proposed Columbia Valley Authority legislation; to the Committee on Public Works.

1272. By the SPEAKER: Petition of Woodbury County Medical Society, Sioux City, Iowa, relative to being placed on record as being opposed to any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

1273. Also, petition of Oakland County Dental Society, Pontiac, Mich., requesting Congress not to enact any legislation which will hamper that freedom such as current proposals for compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1274. Also, petition of Bishop Clarkson Memorial Hospital, Omaha, Neb., relative to expressing their opposition to compulsory health insurance, considering it a menace to the public health and an abuse of the individual freedom of choice; to the Committee on Interstate and Foreign Commerce.

1275. Also, petition of W. J. Shuman and others, Chambersburg, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

## SENATE

MONDAY, JULY 11, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Alton Henley Glasure, pastor, Presbyterian Church, St. Petersburg, Fla., offered the following prayer:

O Lord God, we thank Thee for Thy mercies which are new every morning and fresh every evening. We praise Thee for Thy blessings which have been multiplied to us in rich abundance. As we thank Thee for blessings received we would thank Thee more for opportunities to serve. In these opportunities we beseech Thee to give Thy divine leadership to these Thy servants.

We confess before Thee our sins and pray for the gift of clear thinking, and that these Thy legislative laborers may be faithful stewards in the service of Thy eternal kingdom.

In the name of Jesus Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. Lucas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 8, 1949, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

#### CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. TYDINGS. Mr. President, I report favorably from the Committee on Armed Services numerous routine promotions in the armed services of the United States. No objection has been heard to any of the nominations incorporated in this recommendation from any source, the report is unanimous, and I ask for the immediate consideration of the nominations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and, without objection, the nominations are confirmed, and the President will be immediately notified.

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing two nominations, which nominating message was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Paul W. Kabler and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

#### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hunt	Myers
Anderson	Ives	Neely
Bricker	Jenner	O'Connor
Bridges	Johnson, Colo.	Reed
Cain	Johnston, S. C.	Robertson
Capehart	Kefauver	Russell
Chapman	Kerr	Saltonstall
Connally	Knowland	Smith, Maine
Cordon	Langer	Smith, N. J.
Donnell	Lodge	Sparkman
Dulles	Long	Stennis
Eaton	Lucas	Taft
Ferguson	McCarran	Taylor
Flanders	McCarthy	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Thye
George	McKellar	Tydings
Gillette	Malone	Vandenberg
Graham	Martin	Watkins
Green	Maybank	Wherry
Gurney	Miller	Wiley
Hayden	Millikin	Williams
Hendrickson	Morse	Withers
Hoey	Mundt	Young
Holland	Murray	
Humphrey		